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FISKE, VAUGHAN, HANZLIK, HORTON, AND PECK NOMINATIONS

HEARING

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

FIRST SESSION

ON THE

NOMINATIONS OF GUY W. FISKE TO BE UNDER SECRETARY, DEPARTMENT OF ENERGY; WILLIAM A. VAUGHAN TO BE ASSISTANT SECRETARY FOR ENVIRONMENTAL PROTECTION, SAFETY AND EMERGENCY PREPAREDNESS, DEPARTMENT OF ENERGY; RAYBURN HANZLIK TO BE ADMINISTRATOR, ECONOMIC REGULATORY ADMINISTRATION, DEPARTMENT OF ENERGY; ROBERT C. HORTON TO BE DIRECTOR, BUREAU OF MINES, DEPARTMENT OF THE INTERIOR; AND DALLAS L. PECK TO BE DIRECTOR, GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR

SEPTEMBER 14, 1981

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FISKE, VAUGHAN, HANZLIK, HORTON, AND PECK NOMINATIONS

MONDAY, SEPTEMBER 14, 1981

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, D.C.

The committee met, pursuant to notice, at 10:10 a.m., in room 3110, Dirksen Office Building, Hon. James A. McClure, chairman, presiding.

Present: Senators McClure, Domenici, Warner, and Melcher.

Also present: Charles A. Trabandt, chief counsel; E. David Doane, counsel; Gary Ellsworth, counsel; and D. Michael Harvey, chief counsel for the minority.

OPENING STATEMENT OF HON. JAMES A. McCLURE, A U.S. SENATOR FROM THE STATE OF IDAHO

The CHAIRMAN. The committee will come to order.

This is a hearing to consider five Presidential nominations—three for positions in the Department of Energy and two for positions in the Department of the Interior. The DOE nominees are: Guy W. Fiske to be Under Secretary; William A. Vaughan to be Assistant Secretary for Environmental Protection, Safety and Emergency Preparedness; and Rayburn Hanzlik to be Administrator of the Economic Regulatory Administration. Robert C. Horton is the nominee for Director, Bureau of Mines, Department of the Interior, and Dallas L. Peck has been nominated for the position of Director, Geological Survey, Department of the Interior.

I want to welcome before the committee this morning our colleagues from the Senate who are here to introduce nominees—Senator Thurmond, Senator Byrd, and Senator Warner—and I think we will start with the President pro tem of the Senate, Senator Thurmond.

STATEMENT OF HON. STROM THURMOND, A U.S. SENATOR FROM THE STATE OF SOUTH CAROLINA

Senator THURMOND. Thank you, Mr. Chairman. It might be well to have the nominees sit with us so that you can see them.

Mr. Chairman, it is a distinct pleasure for me to appear before this committee today for the purpose of introducing Mr. Guy W. Fiske, presently of Hilton Head Island, S.C., President Reagan's nominee for the position of Under Secretary of the Department of Energy. He was born near Boston and has lived in a number of different places during his career.

Mr. Fiske received his BA degree in mathematics from Brown University in 1946. His postgraduate education includes the General Electric Co. General Management School and participation in the advanced management and financial analysis program of the International Telephone & Telegraph Corp. An officer in the U.S. Navy, Mr. Fiske served as a landing force leader during seven invasions in the Pacific during World War II.

Mr. Fiske has had a long and distinguished career in the private sector. As an executive with several major corporations, he has gained a wealth of management experience. Immediately prior to coming to the Department of Energy, Mr. Fiske was employed as executive vice president and director of General Dynamics Corp., a telecommunications and information system firm, with which he has been associated since 1977. He also serves as chairman of Asbestor Corp., Ltd., a subsidiary of General Dynamics.

From 1949 to 1968, Mr. Fiske was employed by General Electric Co. in marketing and managerial assignments. During 1949 to 1968, Mr. Fiske was employed by General Electric Co. in marketing and managerial assignments. During the period 1968 to 1977, he served with International Telephone & Telegraph Corp. [ITT] in various executive positions. From 1972 to 1977, he was corporate vice president and group executive, Automotive Products Group for North America, with responsibility for 35 production centers and a broad product distribution system.

Earlier assignments included being worldwide product line manager for controls and instruments, electrical and electronic components, and plastics.

During the period from 1969 to 1972, he created a worldwide automotive parts and distribution business through acquisition of 31 companies in North America, Canada, and Japan.

Mr. Chairman, throughout the course of Mr. Fiske's career, he has shown the ability and the judgment to carry out the duties which have been entrusted to him with exceptional ability, diligence, and dedication. I have no doubt that as the chief operating officer of the Energy Department responsible for overall program planning and implementation, he will continue to display these traits. It is a great pleasure for me to endorse Mr. Fiske for the position of Under Secretary of the Department of Energy, and I feel confident that he will fulfill well the trust reposed in him.

Mr. Fiske sits to my right.

The CHAIRMAN. Thank you very much, Senator Thurmond. You are always welcome before this committee, and your advice and counsel concerning this nominee is valuable to us, as it always is.

Senator THURMOND. Thank you very much and thank you for the consideration of this committee for this nomination.

The CHAIRMAN. We will next hear from Senator Byrd.

I am pleased to recognize the senior Senator from Virginia.

STATEMENT OF HON. HARRY F. BYRD, JR., A U.S. SENATOR FROM THE STATE OF VIRGINIA

Senator BYRD. Thank you, Mr. Chairman. I appreciate you and the committee permitting me to be here this morning.

I am pleased to introduce to the committee William A. Vaughan, of Lynchburg, Va., who has been nominated for the position of Assistant Secretary of the Department of Energy for Environmental Protection, Safety, and Emergency Preparedness. The Vaughans are among the finest citizens of our State. William A. Vaughan's father, William C. Vaughan, who is here today, the former mayor of the city of Lynchburg, is a former past grand master Mason from the State of Virginia and one of my dearest and closest friends.

William A. Vaughan, the nominee, is a graduate of the Virginia Military Institute. He was an instructor and a professor at the Virginia Military Institute following graduation. Some years ago he became an attorney for General Motors Corp., and more recently he has been director of energy management of the manufacturing staff of General Motors since 1976. He has a splendid record with that corporation.

I think the Government and the Department of Energy are very fortunate in having a man of the ability and character and dedication of William A. Vaughan as a nominee for the important position to which the President has appointed him. I strongly recommend him to the committee. I feel he would do an outstanding job for the Department of Energy and for our Nation.

May I, at this point, Mr. Chairman, ask his father and mother, Mayor and Mrs. Vaughan, if they would stand, along with his, William A. Vaughan's, three children.

The CHAIRMAN. Thank you very much, Senator Byrd. It is always nice to have members of the family present. I appreciate that.

Senator BYRD. This is the nominee, William A. Vaughan.

The CHAIRMAN. Thank you very much, Senator Byrd.

Senator BYRD. I thank the chairman and the committee for the opportunity to be here this morning.

The CHAIRMAN. We appreciate your appearance here. You are always welcone before the committee.

We will hear from the junior Senator from Virginia, a distinguished member of this committee, who finds himself on the other side of the table this morning. Senator Warner.

STATEMENT OF HON. JOHN W. WARNER, A U.S. SENATOR FROM THE STATE OF VIRGINIA

Senator WARNER. I join with my distinguished senior colleague, Mr. Byrd, in recommending to the committee and to our colleagues in the Senate, the confirmation of Mr. Vaughan.

I understand that Mr. Byrd didn't put proper emphasis on the fact that Mr. Vaughan got his juris doctor's degree magna cum laude from Washington & Lee University. He was editor in chief of the Washington & Lee Law Review, and a member of the Order of the Coif.

For those in the audience that don't fully appreciate it, the two institutions are located in Lexington, Va., and had some rivalry that goes back many years. Mr. Byrd is a VMI man and I am not sure he recognizes the difference of Washington & Lee. It happens to be my school and my father's school.

Mr. Byrd covered in detail Mr. Vaughan's background. Therefore, I shall proceed on to the other nominees, Mr. Chairman, from Virginia.

The next nominee to appear before the committee will be Mr. Rayburn Hanzlik. Mr. Hanzlik has been nominated for the position of Administrator of the Economic Regulatory Administration. As Administrator, he will be responsible for the enforcement and administration of the Energy Department's programs concerning petroleum pricing and allocation, oil imports and exports, the utilities, and fuel conversion.

Mr. Hanzlik comes to the Government well prepared for these responsibilities. He received his bachelor's degree from the Principia College in Elsah, Ill. He went on to earn a master's degree from the Woodrow Wilson School of Government and Foreign Affairs at the University of Virginia, and a J.D. from the University of Virginia School of Law. He has also graduated from the U.S. Naval Officer Candidate School and the Armed Forces Air Intelligence Officer School and is a decorated Vietnam veteran.

Mr. Hanzlik has had broad experience as an an attorney in Government as well as in private practice. Since 1977, he has been counsel to various law firms and most recently a self-employed attorney.

Beginning in 1970, he was employed at the White House, first as Director of the White House Conference on Youth, then as Executive Assistant to a Counselor to the President, and finally in 1973 as a Staff Assistant to the President.

After a 2-year period, in which he was involved in private practice, Mr. Hanzlik returned to the White House in the Office of the Vice President where he was Staff Director for Public Forums on Domestic Policy until February 1976, when he became the Associate Director for Intergovernmental Relations and was the Presidential liaison between the White House and the Governors, mayors, county officials, and State legislators.

Mr. Chairman, it gives me great pleasure to present Mr. Hanzlik to this committee. I have great confidence that he will serve our Nation well.

Finally, Mr. Chairman, we have Dr. Dallas L. Peck, who is the President's nominee for Director of the U.S. Geological Survey.

Dr. Peck grew up in the State of Washington and received his B.S. in geology with honors from the California Institute of Technology. He went on to earn a masters of geology, and in 1960, he earned his Ph. D. in geology from Harvard University.

Dr. Peck has spent his entire professional career with the USGS. He therefore possesses a very special knowledge of the mission of the Geological Survey. His professional experience includes involvement in a great many projects and membership in scientific and professional societies too numerous to mention. He was a recipient of the Department of Interior Meritorious Award in 1979, the Department of Interior Distinguished Service Award in 1979, and the Presidential Meritorious Executive Award in 1980.

Mr. Chairman, I think Dr. Peck is eminently qualified to serve in this new position. I urge the members of this committee and the Senate in its entirety to rapidly approve his nomination.

The CHAIRMAN. Thank you, Senator Warner. I appreciate your testimony on behalf of each of these nominees.

I might announce that Senator Laxalt, who is unable to be here and who had planned to be here, has submitted a statement in support of Mr. Horton's nomination. That will be placed in the record.

Congressman Wolf has a statement regarding Dallas Peck, and that will be made a part of the record, as will a statement by Senator Schmitt, who wanted to note for the record that Mr. Peck is an old friend, and he has great respect for him as a fellow geologist.

[The statements follow:]

STATEMENT OF HON. PAUL LAXALT, A U.S. SENATOR FROM THE STATE OF NEVADA

I am delighted to be with you this morning to tell you about Robert Horton, who has been nominated to be the next director or the Bureau of Mines.

Throughout his career, Bob Horton has held numerous mineral-related positions, many of them in the state of Nevada. Many of the managers of the major operating mines in my state as well as consultants in engineering and geology there have known Bob for over twenty years. They respect his professional judgment and skills and appreciate his outstanding ability in working with a wide variety of groups and individuals to achieve organizational goals. Bob joined the Nevada Bureau of Mines and Geology in 1956 as assistant mining engineer and advanced to become head of the Bureau in 1966. I first met Bob in 1956 when his twin brother, Dick, was the Republican candidate for the House of Representatives. Keeping it in the family, Bob was the candidate in 1958. I have always been inpressed with Bob's abilities. Consequently, when I became Governor of Nevada, I asked him to serve as a member of the Governor's Mining Advisory Board. Bob continued to serve the public in the same capacity, after I left the Governor's office, and he subsequently was elected as Chairman in 1972 of both the Governor's Mining Advisory Board and the Governor's Environmental Protection Hearing Board. He has held a variety of Managerial and executive posts since then. Most recently Bob served as Director of the Geology Division of Bendix Field Engineering Corporation in carrying out the successful National Uranium Resource Evaluation program for the Department of Energy.

Bob Horton has worked as an engineer, geologist, consultant, and administrator. He combines outstanding technical and managerial skill with high idealism, self-discipline, and a refreshing sense of humor. In my opinion, he is precisely the kind of motivated, highly qualified individual with experience in this section of public administration that we need for the job for which he has been nominated. I urge my colleagues to approve and confirm his nomination.

STATEMENT OF HON. FRANK R. WOLF, A U.S. REPRESENTATIVE FROM THE STATE OF VIRGINIA

It is with pleasure that I tender my unqualified endorsement of Dr. Dallas Lynn Peck, President Reagan's nominee to be Director of the U.S. Geological Survey.

For 5 years I was myself an employee of the Department of the Interior in its Congressional and Legislative Affairs Office. That office, which was and is the interface between the Department and the Congress, is an extraordinary good position from which to view how well the various bureaus were doing their job of serving the public. I developed a feel for the personality of each bureau, to the point where I could often predict, just as with an individual, just how it would act and what it would do in response to the demands that were placed on it.

I learned early that one of the Departments's star performers was the U.S. Geological Survey, and I knew that whenever I had a tough situation to work on that I could always count on the Survey to come up with its best efforts: honest, objective, well-considered, and caring. This is not to say that the Survey's responses always completely satisfied my contacts on the Hill but they satisfied me that everything that could be done was being done to meet the needs of constituents and Members.

Of course, an organization is merely the greatly magnified reflection of the people in it, and the Geological Survey reflects the character and dedication of people like Dallas Peck, who for thirty years has devoted his life to science and service in this community of experts who among them know more about the Earth, its resources and its processes, than any other group anywhere in the world.

Traditionally, the Survey's Directors have been chosen from among its own ranks, and I am delighted that President Reagan has returned to that practice in recommending a renowned geologist, who has the deep professional respect and personal admiration of his fellow workers, to the position of leadership in the organization he has served so long and so well. I know a lot of Survey people—they and Dallas are my constituents—and I can testify that the reaction among them to Dallas' appointment has been one of universal approval and satisfaction. He's one of their own, and the proposal of his name for the Director's job by the National Academy of Sciences is read by Survey people everywhere as an endorsement by the Nation's top scientific body of the Survey's capacity to produce its own leadership from its own family. I, therefore, commend the President's nominee, Dr. Dallas Peck, to the Committee's consideration with my complete support and hearty approval.

STATEMENT OF HON. HARRISON H. SCHMITT, A U.S. SENATOR FROM THE STATE OF NEW MEXICO

Dear Mr Chairman, it is a pleasure to support my old friend and fellow geologist, Dr. Dallas Lynn Peck, who is President Reagan's nominee to be Director of the U.S. Geological Survey. Unfortunately, a commitment with Secretary of Interior James Watt in New Mexico prevents me from appearing personally to voice my strong support for this nomination.

I might begin by saying that up to a point Dallas and I followed pretty much the same track in the early part of our lives, although a few years removed from one another. We both graduated from the California Institute of Technology with bachelor's degrees in geology, worked as summer students for the Geological Survey and took out doctorates in geology at Harvard. We share membership in at least three professional societies.

Dallas has built a truly remarkable record since he began working full time for the Geological Survey in 1954. He is a world authority on volcanism and the author or coauthor of more than 30 papers on that subject. He has participated in numerous advisory boards, committees, conferences, and symposia at various places around the world on the earth sciences in general and volcanism in particular.

Dallas' career in the Geological Survey has been one of steady progress from junior field assignments to the position of Chief Geologist which he has held since 1977. He a recipient of both the Department's Meritorious Award and its Distinguished Service Award, and last year ne was awarded the rank of Meritorious Executive by the President.

It is no accident that eight out of the Geological Survey's ten Directors have come from within its ranks. Its Directors are selected for their competence, experience, and general knowledge of the Nation's needs for the earth sciences, and the best training ground for these attributes is the Survey itself.

As a fellow geologists and onetime member of the Geological Survey I am proud to give my unqualified endorsement to one of its most distinguished members for the leadership role you are considering today: Dr Dallas Peck.

The CHAIRMAN. I wonder if Mr. Horton would come forward and join the group as well.

Gentlemen, the rules of the committee, which apply to all nominees, require that they be sworn in connection with their testimony.

Please rise and raise your right hands.

[Whereupon, the nominees were duly sworn by the chairman.]

The CHAIRMAN. Let the record show that each responded affirmatively.

I will start and ask for individual responses to each of several questions that are matters of procedure for this committee for every witness who is nominated to a position within the administration. I would like to ask these questions of each of you.

Will you be available to appear before this committee and other congressional conmittees to represent departmental positions and respond to questions concerning the Congress?

[All responded: "I will."]

The CHAIRMAN. The informational statements from each of you have been submitted to the committee. However, it is required that each statement be made public unless the committee decides that special circumstances justify an exception. Do you have any objection to publication of your informational statement?

[All answered "No."]

The CHAIRMAN. Are you, or any of you, aware of any personal holdings, investments, or interests that could constitute a conflict of interest, or create the appearance of such a conflict, should you be confirmed and assume the office to which you have been nominated by the President?

[All answered "No, sir."]

The CHAIRMAN. Are you involved, or do you have any assets held in a blind trust?

[All answered, "No, sir."]

The CHAIRMAN. Thank you very much. I appreciate the responses to the questions.

Our first witness is Mr. Fiske, the nominee for Under Secretary of the Department of Energy. As has been noted in his introduction, he has been a business executive for over 30 years. He has served as executive vice president and director of General Dynamics Corp. since 1977. For 9 years he was employed by International Telephone & Telegraph Corp. Mr. Fiske was vice president of ITT, and he also served in a number of executive positions in ITT's international operations.

Fron 1949 to 1968, Mr. Fiske was employed by the General Electric Co.

The position of Under Secretary is critical to the sound and effective management of the Department of Energy. When the Department was reorganized last February, the Under Secretary was named the Chief Operating Officer of the Department. Reporting to the Under Secretary are the five Assistant Secretaries who head the Department's basic programs. Also reporting to the Under Secretary are a number of DOE organizations, including the Economic Regulatory Administration, the Energy Information Administration, and the Office of Energy Research.

Mr. Fiske, we have your entire statement. It will be placed in the record in full. You may, if you wish, give it as prepared, summarize, or hit the highlights, whatever manner you desire.

STATEMENT OF GUY W. FISKE, NOMINEE TO BE UNDER SECRETARY, DEPARTMENT OF ENERGY

Mr. FISKE. Mr. Chairman, and distinguished members of the committee, it is an honor to appear before you as President Reagan's nominee to be Under Secretary of the Department of Energy.

I am grateful to Secretary Edwards for his enthusiastic support of this nomination, and to Senator Thurmond for his gracious introduction.

Before discussing my personal views in the energy area, I would like to summarize my qualifications and experience which I believe are relevant to your evaluation of my nomination. More detailed information has already been made available to you.

If the Energy Department were a large American corporation, the position of Under Secretary would be the equivalent of the president and chief operating officer. The Under Secretary is charged with management of the Department and oversees most DOE programs. The size and complexity of the Department make this a formidable and extremely challenging assignment.

My background is management. My entire career has been spent in the business world as a manager of people and multifaceted operations and programs. My education, in mathematics and business administration at Brown University, completed in 1946, was interrupted by World War II when I was commissioned as an officer in the U.S. Naval Reserve. The leadership training and discipline of the Navy, including commanding landing teams in seven Pacific invasions, served as a good foundation for my subsequent role in business.

My business experience has been primarily with three companies: General Electric, ITT, and General Dynamics. At General Electric, management assignments covered many technical product areas. In several of these assignments, innovative approaches to solving organizational and programmatic problems were required. Success in meeting these challenges resulted in my advancement to new opportunities. While the Energy Department is an extraordinarily complex organization compared to industry, it seems possible that similar management approaches to problem solving might be used.

At ITT, I first served as the worldwide produce line manager for the controls and instruments businesses. Plastics, electronics, and automotive products were added later to my responsibilities. This job required analysis of the current worldwide situation, followed by recommendations for growth strategies. It included assessment and approval of all research and development programs, review, and planning for organization and management of each profit center, and close monitoring of month-to-month results. Unique programs were developed to eliminate excessive costs and to improve efficiency. Management changes were implemented and duplication of research and development efforts around the world was eliminated. Over 30,000 people were employed in these organizations in 15 different countries.

During this period, I created the plan to develop a $1 billion worldwide automotive parts business for ITT. I was assigned directly by the chairman to implement this plan. Over a 4-year span, 31 companies were acquired in North America and Europe.

As a result of this program, I was named a corporate vice president of ITT and became general manager and group executive for the North American Automotive Operations, while continuing to oversee and coordinate the European, Latin American, and Far East ventures of this business. The automotive parts business became the fourth largest division in ITT and met all of its objectives. As the operating manager, I was directly responsible for day-to-day results; there were more than 12,000 people in my organization, including seven divisions and subsidiary presidents.

I believe that the complexity of a large international business is analogous to that of one of the largest Government departments

and that my experience at ITT will prove valuable if I am confirmed as Under Secretary.

In my current position as executive vice president at General Dynamics, I am responsible for all telecommunications and information systems businesses, while also serving as chairman of the Asbestos Corp., Ltd., of Canada, which is 54.6 percent owned by General Dynamics. I also serve as a director of General Dynamics.

This summary illustrates the broad range of my management experience, including interaction with diverse nationalities, businesses, and individuals. I have had the opportunity to set new creative strategies and to solve difficult problems of many different businesses. The position of Under Secretary requires all of these skills, especially that of strong, creative management.

I would now like to discuss a few personal views concerning energy matters.

While the energy shortage may be just a memory to most people, the declining significance of energy as a national concern is a passing phenomenon in my opinion. There are remaining threats from our continued dependence upon foreign energy sources, the uncertain conditions in the Middle East, and the fragile state of the domestic utility industry. The subject of energy is a high priority area, along with the state of the economy, security of the Nation, and foreign policy. In fact, the energy question affects all of these. We must have adequate, reliable sources of energy at reasonable prices in order to preserve the well-being and security of our country.

Among the responsibilities of the Under Secretary are the high-priority defense and the Department's long-term, high-risk research programs. I understand how important the defense programs are. It is my belief that Federal involvement is important to the Nation in cases of long-term projects of high potential and high-risk technology.

My personal views in the energy area agree with those of the administration. I believe in the policies of President Reagan and Secretary Edwards; I believe in marketplace solutions and in the concept of free enterprise as the backbone of this country. But I recognize that all problems cannot be easily resolved.

As for the future of the Energy Department, it seems to me there will always be a need for a focal point within this Government to deal with energy problems. I do not know whether there is a better alternative than the current organization, but have an open mind in assessing this question. Whether we like it or not, this Nation is the world's major energy consumer and someone is needed to articulate the energy policy to address the national security implications of energy matters, and to deal with our counterparts in foreign governments.

In summary, many problems in the energy area today appear to me to be institutional, financial, and technological.

Removal of unnecessary Government constraints for a return to free-market principles can help overcome many of these problems because in the longer term, we have the scientific genius, the technical expertise, and the problem-solving skills. If we can unshackle the private sector, streamline and discipline the licensing and regulatory process, reduce foreign domination through creative solu-

tions of our own, and use our collective powers as a team, our Government's involvement in energy matters can be respected by the public.

At this time, I would like to thank you for considering me for this position and want you to know that I will be dedicated to using all of my background, training, and experience to serve my country proudly and well, should you choose to confirm me; and if you do, I look forward to returning to this forum often to work with you closely.

This concludes my formal remarks. I will be pleased to answer any questions you may have on my statement, or on any other subject.

The CHAIRMAN. Thank you very much, Mr. Fiske.

[The prepared statement of Mr. Fiske follows:]

STATEMENT OF

GUY W. FISKE

NOMINEE TO BE UNDER SECRETARY

OF THE DEPARTMENT OF ENERGY

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES

UNITED STATES SENATE

SEPTEMBER 14, 1981

Mr. Chairman and distinguished Members of the Committee, it is an honor to appear before you as President Reagan's nominee to be Under Secretary of the Department of Energy.

I am grateful to Secretary Edwards for his enthusiastic support of this nomination, and to Senator Thurmond for his gracious introduction.

Before discussing my personal views in the energy area, I would like to summarize my qualifications and experience which I believe are relevant to your evaluation of my nomination. More detailed information has already been made available to you.

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Naval Reserve. The leadership training and discipline of the Navy, including commanding landing teams in seven Pacific invasions, served as a good foundation for my subsequent role in business.

My business experience has been primarily with three companies: General Electric, ITT and General Dynamics. My early years in business were spent attaining basic skills and job experience in sales, finance, engineering and administration. At General Electric, management assignments covered many technical product areas. In several of these assignments, innovative approaches to solving organizational and programmatic problems were required. Success in meeting these challenges resulted in my advancement to new opportunities. While the Energy Department is an extraordinarily complex organization compared to industry, it seems possible that similar management approaches to problem solving might be used.

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research and development programs, review and planning for organization and management of each profit center, and close monitoring of month-to-month results. Unique programs were developed to eliminate excessive costs and to improve efficiency. Management changes were implemented and duplication of research and development efforts around the world was eliminated. Over 30,000 people were employed in these organizations in fifteen different countries.

During this period, I created the plan to develop a $1 billion dollar worldwide automotive parts business for ITT. I was tasked directly by the Chairman to implement this plan. Over a four-year span, 31 companies were acquired in North America and Europe. Our strategy was to acquire manufacturers of small car parts overseas and to establish these products in the United States to serve the developing small car market here. The plan was formulated in 1969 and proved to be timely, as the energy shortage forced domestic manufacturers to shift to an emphasis on small cars.

As a result of this program, I was named a Corporate Vice President of ITT and became General Manager and Group Executive for the North American Automotive Operations, while continuing to oversee and coordinate the European, Latin American and Far East ventures of this business. The automotive parts business became the fourth largest

division in ITT and met all of its objectives. As the operating manager, I was directly responsible for day-to-day results; there were more than 12,000 people in my organization, including seven division and subsidiary presidents.

I believe that the complexity of a large international business is analogous to that of one of the largest government departments and that my experience at ITT will prove valuable if I am confirmed as Under Secretary.

In my current position as Executive Vice President at General Dynamics, I am responsible for all telecommunications and information systems businesses, while also serving as Chairman of the Asbestos Corporation, Ltd., of Canada, which is 54.6% owned by General Dynamics. I also serve as a Director of General Dynamics.

This summary illustrates the broad range of my management experience, including interaction with diverse nationalities, businesses, and individuals. I have had the opportunity to set new creative strategies and to solve difficult problems of many different businesses, including divestiture, acquisition, cost-cutting, reorganization, program management, top-level personnel selection, and the handling of complex administrative responsibilities. The position of Under Secretary requires all of these skills, especially that of strong, creative management.

I would now like to discuss a few personal views concerning energy matters.

While the energy shortage may be just a memory to most people, the declining significance of energy as a national concern is a passing phenomenon in my opinion. There are remaining threats from our continued dependence upon foreign energy sources, the uncertain conditions in the Middle East and the fragile state of the domestic utility industry. The subject of energy is a high priority area, along with the state of the economy, security of the Nation, and foreign policy. In fact, the energy question affects all of these. We must have adequate, reliable sources of energy at reasonable prices in order to preserve the well-being and security of our country.

Among the responsibilities of the Under Secretary are the high priority defense and the Department's long-term, high-risk research programs. I understand how important the defense programs are. It is my belief that federal involvement is important to the Nation in cases of long-term projects of high potential and high-risk technology. The private sector should concentrate on near-term development and commercialization whenever it is profitable and desirable.

I believe nuclear power is an essential ingredient in our energy economy, and am concerned over the crisis facing utilities because of their difficulty in forming capital for projects offering lower energy costs, in addition to the problems caused by licensing time and uncertainties.

My personal views in the energy area agree with those of the Administration. I believe in the policies of President Reagan and Secretary Edwards; I believe in marketplace solutions and in the concept of free enterprise as the backbone of this country. But I recognize that all problems cannot be easily resolved.

As for the future of the Energy Department, it seems to me there will always be a need for a focal point within this government to deal with energy problems. I do not know whether there is a better alternative than the current organization, but have an open mind in assessing this question. Whether we like it or not, this Nation is the world's major energy consumer and someone is needed to articulate the energy policy, to address the national security implications of energy matters, and to deal with our counterparts in foreign governments.

In summary, many problems in the energy area today appear to me to be institutional, financial and technological.

Removal of unnecessary government constraints for a return to free market principles can help overcome many of these problems. In the longer term, we have the scientific genius, the technical expertise, and the problem-solving skills. If we can unshackle the private sector, streamline and discipline the licensing and regulatory process, reduce foreign domination through creative solutions of our own, and use our collective powers as a team, our government's involvement in energy matters can be respected by the public rather than criticized.

At this time, I would like to thank you for considering me for this position and want you to know that I will be dedicated to using all of my background, training and experience to serve my country proudly and well, should you choose to confirm me; and if you do, I look forward to returning to this forum often to work with you closely.

This concludes my formal remarks. I will be pleased to answer any questions you may have on my statement, or on any other subject.

The CHAIRMAN. The next witness is Mr. Vaughan, who has been nominated for the position of Assistant Secretary of Energy for Environmental Protection, Safety and Emergency Preparedness.

Since 1970, Mr. Vaughan has been employed by General Motors Corp. For 6 years he served on GM's legal staff. Since 1976 he has held the position of director, energy management, manufacturing staff. Prior to joining GM, Mr. Vaughan served for 10 years on the faculty of the Virginia Military Institute.

As an Assistant Secretary, Mr. Vaughan would be responsible for compliance with environmental and health safety laws and for emergency planning and operations. In the area of emergency planning he would be responsible for the Strategic Petroleum Reserve, emergency information and planning functions, and the Naval Petroleum and Oil Shale Reserve programs.

Mr. Vaughan, your statement will appear in full in the record. You can summarize or hit the highlights or read the statement as prepared, whichever manner you prefer.

STATEMENT OF WILLIAM A. VAUGHAN, NOMINEE TO BE ASSISTANT SECRETARY FOR ENVIRONMENTAL PROTECTION, SAFETY AND EMERGENCY PREPAREDNESS, DEPARTMENT OF ENERGY

Mr. VAUGHAN. Mr. Chairman, and distinguished members of the committee, I am honored to appear before you today as President Reagan's nominee to be Assistant Secretary of Energy for Environmental Protection, Safety and Emergency Preparedness.

Before discussing the specific aspects of the position for which I am being considered, I would like to summarize briefly my background for you. More detailed information has already been provided to you.

My early studies were in engineering, and I hold a bachelor of science degree in civil engineering from Virginia Military Institute (1957), and an MSCE from Purdue University (1964). I have also taken special courses in structural engineering, including radiation shielding and other protective construction techniques, and received a U.S. Department of Defense license as a qualified instructor in protective construction in 1963. In addition, I have coauthored several articles on handling of radioactive waste materials.

From 1960 to 1970 I served first as an instructor and then as an assistant professor of civil engineering at VMI, holding the additional position of deputy commandant of cadets from 1964 to 1967. While continuing my teaching responsibilities, I studied law, graduating from Washington & Lee University Law School with the degree of juris doctor in 1970. I also was editor in chief of the Law Review.

Upon graduation from law school, I joined General Motors Corp., where I have been employed for the past 11 years. From 1971 to 1976 I was the attorney in charge, environmental and energy law section, GM legal staff. In 1976 I was named to my present position of director, energy management, manufacturing staff, for General Motors Corp.

I also hold the rank of lieutenant colonel in the U.S. Army Reserve, having served on active duty from 1957 to 1960. I am currently assigned to the U.S. Army Center for Military Assistance,

Fort Bragg, N.C., as a general staff officer for operations; specifically as the mobilization designee: Team chief for civil affairs.

In addition to being a registered professional engineer in Virginia, I am a member of the Engineering Society of Detroit, and several legal societies, including the American and Michigan State Bar Associations. In the course of my work for General Motors, I have been active in a number of national organizations concerned with energy. For example, I am a member of the energy steering group and chairman of the coal utilization subcommittee for the National Association of Manufacturers; on the steering committee for the process gas consumers group; the official GM representative to the electricity consumers resource council; and serve on the energy council for the American National Standards Institute. Internally at General Motors, in addition to my regular duties as director of energy management, I am secretary of the GM interstaff energy advisory committee, and I also serve on several GM planning and operations committees.

During the course of my education and employment experience, as well as my military training and experience, I am very fortunate to have had the opportunity to become involved with virtually all of the subjects and issues which are now under the responsibility of the new position of Assistant Secretary of Energy for Environmental Protection, Safety, and Emergency Preparedness. My philosophy for handling energy matters is in complete agreement with the positions of President Reagan and Secretary Edwards. To the maximum extent possible, Government should avoid interfering with free market mechanisms for producing, pricing, and allocating supplies of energy. State and local involvement in energy matters should be encouraged. When action by the Federal Government is required, it should be done professionally, and with due regard for the impact upon all sectors of our society.

Throughout my career in management, both in the Army and at General Motors, I have sought to base my approach on the solid foundations of planning, pragmatism, and performance. And these are the concepts I would hope to use again as Assistant Secretary of Energy.

While planning naturally applies to all functions, it has, in my judgment, special meaning for energy emergency preparedness. I believe the Department of Energy must project an image of confident leadership in energy emergency planning, bolstered by workable plans and coordination with all sectors of our economy. First, as a member of the legal staff, and then as director of energy management, I have had the experience of participating in General Motors' activities during the severe energy problems over the last decade, from the 1973–74 oil embargo, through the natural gas shortages of the winter of 1976–77, through the electric power shortages in the Midwest caused by the coal strike of 1978, to the spring, 1979, aftermath of the Iranian revolution. During those hectic and difficult times my staff and I worked with a wide range of State, local, and Federal Government officials, as well as with numerous people in various sectors of the energy producing, distributing, and consuming communities.

With the task of assuring fuel supplies to maintain production at over 130 General Motors facilities throughout the United States,

my responsibilities as director of energy management at General Motors Corporation are quite similar, although on a smaller scale, to the responsibilities of the Assistant Secretary for Environmental Protection, Safety and Emergency Preparedness. I saw firsthand what self-help measures by the business community were effective, and I also saw the impact of Government intervention during these emergency situations. If there was one lesson above all that I learned during those episodes, it was that the American economy can thrive under good decisions, and it can probably survive under bad decisions, but the uncertainty of no decisions can be disastrous. I believe that careful planning before the onset of an energy emergency, as well as careful coordination with energy producers, distributors, and consumers is essential.

Through my military training and business experience at General Motors, I have learned the value of pragmatism in approaching complex problems. It is my intention to use this method for addressing my environmental responsibilities as Assistant Secretary of Energy. I fully support the President's commitment to the preservation and enhancement of environmental quality, along with the development of domestic energy resources and the revitalization of American industry.

As the attorney in charge of the GM legal staff's energy and environmental law section, I had a considerable amount of experience dealing with the legal aspects of State, local, and Federal environmental regulations as they affected General Motors plants and activities throughout the United States. Subsequently, as director of energy management at GM, I have had to reconcile numerous clashes between environmental considerations and the need to produce and use various energy sources. I have also been involved in a number of research projects designed to test utilization of various new technologies using new fuels in an economically and environmentally sound manner. Once again, this experience is quite similar, although on a smaller scale, to the responsibilities of the Assistant Secretary. I believe that as a result of my work in the private sector I will be able to maintain and implement the necessary balance between protection of environmental values and promotion of energy production and new energy technologies.

Finally, I believe the measurement of any manager must be his performance, and this is an approach with which I feel totally comfortable. I would describe myself principally as a manager who has had considerable experience interacting in the large corporate organization, as well as being held accountable for bottom line results.

As director of energy management at GM, I have been responsible for supervising the operation of oil storage terminals and related facilities, comprehensive propane backup capability at a number of General Motors plants, and also the production of natural gas from the General Motors Lordstown gasfield.

These duties, as well as my other activities as director of energy management have given me a pretty good understanding of the types of responsibilities which I will have as Assistant Secretary of Energy with respect to the Strategic Petroleum Reserve and the Naval Petroleum and Oil Shale Reserves.

It is an honor for me to be here today and I look forward with enthusiasm and humility to the opportunity to serve our country and our President if I am confirmed. Thank you very much for your consideration. I would be pleased to respond to any questions which you might have.

The CHAIRMAN. Thank you very much, Mr. Vaughan.

[The prepared statement of Mr. Vaughan follows:]

PREPARED STATEMENT OF
WILLIAM A. VAUGHAN
Before the
SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. Chairman, and distinguished members of the Committee, I am honored to appear before you today as President Reagan's nominee to be Assistant Secretary of Energy for Environmental Protection, Safety and Emergency Preparedness.

Before discussing the specific aspects of the position for which I am being considered, I would like to summarize briefly my background for you. More detailed information has already been provided to you.

My early studies were in engineering, and I hold a Bachelor of Science degree in Civil Engineering from Virginia Military Institute (1957), and an MSCE from Purdue University (1964). I have also taken special courses in structural engineering, including radiation shielding and other protective construction techniques, and received a United States Department of Defense License as a Qualified Instructor in protective construction (1963). In addition, I have co-authored several articles on handling of radioactive waste materials. From 1960-1970 I served first as an Instructor and then as an Assistant Professor of Civil Engineering at VMI (holding the additional position of Deputy Commandant of Cadets from 1964-1967). While continuing my teaching responsibilities, I studied law, graduating from Washington and Lee University Law School with the degree of Juris Doctor in 1970. I also was Editor-in-Chief of the Law Review.

Upon graduation from law school, I joined General Motors Corporation, where I have been employed for the past 11 years. From 1971-1976 I was the Attorney-in-Charge, Environmental & Energy Law Section, GM Legal Staff. In 1976 I was named to my present position of Director, Energy Management, Manufacturing Staff, for General Motors Corporation.

I also hold the rank of Lieutenant Colonel in the U.S. Army Reserve, having served on active duty from 1957-1960. I am currently assigned to the United States Army Center for Military Assistance, Fort Bragg, North Carolina, as a General Staff Officer for Operations; specifically as the Mobilization Designee: Team Chief for Civil Affairs.

In addition to being a Registered Professional Engineer in Virginia, I am a member of the Engineering Society of Detroit, and several legal societies, including the American and Michigan State Bar Associations. In the course of my work for General Motors, I have been active in a number of national organizations concerned with energy. For example, I am a member of the Energy Steering Group and Chairman of the Coal Utilization Subcommittee for the National Association of Manufacturers; on the Steering Committee for the Process Gas Consumers Group; the Official GM Representative to the Electricity Consumers Resource Council; and serve on the Energy Council for the American National Standards Institute. Internally at General Motors, in addition to my regular duties as Director of Energy Management, I am Secretary of the GM Interstaff Energy Advisory

Committee, and I also serve on several GM planning and operations committees.

During the course of my education and employment experience, as well as my military training and experience, I am very fortunate to have had the opportunity to become involved with virtually all of the subjects and issues which are now under the responsibility of the new position of Assistant Secretary of Energy for Environmental Protection, Safety and Emergency Preparedness. My philosophy for handling energy matters is in complete agreement with the positions of President Reagan and Secretary Edwards. To the maximum extent possible, government should avoid interfering with free market mechanisms for producing, pricing and allocating supplies of energy. State and local involvement in energy matters should be encouraged. When action by the Federal government is required, it should be done professionally, and with due regard for the impact upon all sectors of our society.

Throughout my career in management, both in the Army and at General Motors, I have sought to base my approach on the solid foundations of planning, pragmatism, and performance. And these are the concepts I would hope to use again as Assistant Secretary of Energy.

While planning naturally applies to all functions, it has, in my judgment, special meaning for energy emergency preparedness. I believe the Department of Energy must project

an image of confident leadership in energy emergency planning, bolstered by workable plans and coordination with all sectors of our economy. First as a member of the Legal Staff, and then as Director of Energy Management, I have had the experience of participating in General Motors' activities during the severe energy problems over the last decade, from the 1973-1974 oil embargo, through the natural gas shortages in the Midwest caused by the coal strike of 1978, to the Spring, 1979, aftermath of the Iranian revolution. During those hectic and difficult times, my staff and I worked with a wide range of state, local and Federal government officials, as well as with numerous people in various sectors of the energy producing, distributing, and consuming communities.

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the uncertainty of no decisions can be disastrous. I believe that careful planning before the onset of an energy emergency, as well as careful coordination with energy producers, distributors, and consumers is essential.

Through my military training and business experience at General Motors, I have learned the value of pragmatism in approaching complex problems. It is my intention to use this method for addressing my environmental responsibilities as Assistant Secretary of Energy. I fully support the President's commitment to the preservation and enhancement of environmental quality, along with the development of domestic energy resources and the revitalization of American industry.

As the Attorney-in-Charge of the GM Legal Staff's Energy and Environmental Law Section, I had a considerable amount of experience dealing with the legal aspects of state, local and Federal environmental regulations as they affected General Motors' plants and activities throughout the United States. Subsequently, as Director of Energy Management at GM, I have had to reconcile numerous clashes between environmental considerations and the need to produce and use various energy sources. I have also been involved with a number of research projects designed to test utilization of various new technologies using new fuels in an economically and environmentally sound manner. Once again, this experience is quite similar, although on a smaller scale, to the responsibilities of the Assistant Secretary. I believe

that as a result of my work in the private sector, I will be able to maintain and implement the necessary balance between protection of environmental values and promotion of energy production and new energy technologies.

Finally, I believe the measurement of any manager must be his performance and this is an approach with which I feel totally confortable. I would describe myself principally as a manager who has had considerable experience interacting in a large corporate organization, as well as being held accountable for "bottom line" results. As Director of Energy Management at GM, I have been responsible for supervising the operation of oil storage terminals and related facilities, comprehensive propane backup capability at a number of General Motors plants, and also the production of natural gas from the General Motors Lordstown gas field (which is operated for the purpose of supplying GM's own facilities). These duties, as well as my other activities as Director of Energy Management have given me a pretty good understanding of the types of responsibilities which I will have as Assistant Secretary of Energy over the Strategic Petroleum Reserve and the Naval Petroleum and Oil Shale Reserves.

It is an honor for me to be here today and I look forward with enthusiasm and humility to the opportunity to serve our country and our President if I am confirmed. Thank you very much for your consideration. I would be pleased to respond to any questions which you might have.

The CHAIRMAN. We will now hear from Mr. Rayburn Hanzlik, nominated for Administrator of the Economic Regulatory Administration. He is an attorney whose career has been a combination of private law practice and government service. As an attorney in private practice he has had extensive experience in a variety of energy related areas.

Mr. Hanzlik has also held a number of White House staff positions in the Nixon and Ford administrations.

We are pleased to hear from Mr. Hanzlik at this time.

STATEMENT OF RAYBURN HANZLIK, NOMINEE TO BE ADMINISTRATOR, ECONOMIC REGULATORY ADMINISTRATION, DEPARTMENT OF ENERGY

Mr. HANZLIK. Thank you for your kind remarks and also those of Senator Warner.

In the interest of time I will read excerpts of my statement. The main portion that I am not reading concerns my qualifications which were amply covered by you and Senator Warner.

The responsibilities of the ERA Administrator appear to offer a severe challenge to anyone taking on the job. It didn't take much research to learn that the Economic Regulatory Administration has a reputation of tough problems and controversy. It is an agency undergoing transformation, with some of its programs phasing down, others under modification, and some being transferred to other parts of the Department of Energy. Personnel reductions are taking place, funding levels are changing, and the future of the agency is uncertain. It has been difficult for me to find any fair-minded observer of the agency who doesn't suggest that the new Administrator has his work cut out for him.

As I approach the work facing the new ERA Administrator, I don't hold the pessimistic view of the job that so many others do. Not that I have any illusions regarding the nature or demands of the position. It is simply that I think we can tackle the difficult challenges at the agency and obtain the proper and necessary results. And, I pledge to this committee today that I will vigorously dedicate myself to administering this agency in a manner that will reflect positively on the administration, this Congress, and myself.

One of the toughest sets of problems facing the new Administrator is the direction and future of the enforcement program. Although the President's action last January to decontrol the pricing and allocation of crude oil and petroleum products removed a major responsibility of the ERA, the work of enforcing the controls during their period of effectiveness continues. It is this enforcement function of the agency that has received great attention, and it is here where I believe my actions will be most carefully scrutinized. Without getting into the specifics of this program, which I have yet to learn in detail, I would like to tell the committee my approach to this important area of responsibility.

The Secretary of Energy has repeatedly stated, when questioned about the administration's attitude on the enforcement program, that "there will be no amnesty" for those who violated the laws of the price control program.

While he has never wavered from this position, some skepticism has been expressed over the seriousness of this policy. In my opinion, much of this skepticism is based on the reduced budget recommendations for the ERA by the administration. Some appear to assume that a tough, vigorous enforcement program cannot be operated more efficiently or economically.

I share the President's philosophy that Government can be reduced and still properly serve the people. Through improved agency management of resources and personnel, I believe we can execute an enforcement program that will quiet most critics. Whatever the funding level may be—and the Congress is determining this right now—I will work tirelessly to balance economy with efficacy. I have yet to find a Federal agency where fat and inefficiency are scarce, where more cannot be done with less.

One of my central goals as the new Administrator will be to properly complete the enforcement work of the agency. I don't come to this position with any notion of easing up on the compliance efforts, of passing over the work lightly, in order to phase out the agency. It is true that once this work is completed, the need for the agency diminishes, but I can assure this committee that I will tolerate no compromises in the quality of the enforcement program as the work phases out. Anyone who anticipates that the new Administrator will sweep the pending enforcement cases under a rug, cut losses and run, will be in for a surprise.

The American public and the energy industry should rightly demand that this work be expedited. I understand there are enforcement actions that have been pending for years. Companies are operating today under the cloud of alleged violations that were charged years ago but which have never been litigated or settled. Likewise, consumers may be due financial redress for overcharges they incurred. The need, it seems to me, is to get moving to complete this work, to fish or cut bait. As my specific plans develop to deal with this program area, I will consult with members of this committee, as well as with your counterparts in the House, on our efforts.

In conclusion, I wish to affirm to this committee my commitment to administer this agency with creativity, economy, and solid results. I hope to utilize to the fullest extent possible the many dedicated, talented employees at the ERA. I will bring to bear on this job all the skills, experience, and insights I have gained from my past responsibilities. And as I indicated at the beginning of this statement, I anticipate a close and effective working relationship with this committee and other Members of the Congress. This is not a job that I or anyone could think of accomplishing alone. For this reason, I will seek your help and look to you for guidance, ideas, and support.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Hanzlik.

[The prepared statement of Mr. Hanzlik follows:]

STATEMENT OF

RAYBURN HANZLIK

NOMINEE TO BE ADMINISTRATOR

ECONOMIC REGULATORY ADMINISTRATION

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES

UNITED STATES SENATE

SEPTEMBER 14, 1981

Mr. Chairman and distinguished Members of the Committee, this is a special occasion for me, as I consider it a great honor to be President Reagan's nominee for Administrator of the Economic Regulatory Administration. It is also a privilege to appear before this Committee, to begin what I anticipate will be a friendly, working relationship. I would like to use this occasion to briefly share some thoughts about the responsibilities I will assume, if confirmed.

The responsibilities of the ERA Administrator appear to offer a severe challenge to anyone taking on the job. It didn't take much research to learn that the Economic Regulatory Administration has a reputation of tough problems and controversy. It is an agency undergoing transformation, with some of its programs phasing down, others under modification, and some being transferred to other parts of the Department of Energy. Personnel reductions are taking place, funding levels are changing, and the future of the agency is uncertain. It has been difficult for me to find any fair-minded observer of the agency who doesn't suggest that the new Administrator has his work cut out for him.

The position of Administrator demands a combination of management, legal and political skills. I believe my own background gives me good qualifications for this. It represents over twenty years of commitment to public service, during which I have purposely sought experiences

and responsibilities to equip me for increasingly broader usefulness. My apprenticeship for this position has included a variety of activities: graduate study in government; work in a Congressional office; service as a naval officer, including a combat tour in Vietnam and a Pentagon tour as an Admiral's aide; the study of law; work in several positions on the White House staff, including Associate Director for Intergovernmental Affairs on the Domestic Council; management of the 1971 White House Conference on Youth; candidacy for federal office in California, and work as an attorney in areas of legislative and administrative law, energy and international commercial transactions. Through these experiences, I believe I have developed a balanced and practical appreciation of the roles of the Congress, the Executive Branch, private industry and the general public. This, combined with a dedication to strong management principles, and a working knowledge of energy issues, should serve me well in this position.

As I approach the work facing the new ERA Administrator, I don't hold the pessimistic view of the job that so many others do. Not that I have any illusions regarding the nature or demands of the position. It is simply that I think we can tackle the difficult challenges at the agency and obtain the proper and necessary results. And, I pledge to this Committee today that I will vigorously dedicate

myself to administering this agency in a manner that will reflect positively on the Administration, the Congress, and myself.

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In conclusion, I wish to affirm to this Committee my commitment to administer this agency with creativity, economy, and solid results. I hope to utilize to the fullest extent possible the many dedicated, talented employees at the ERA. I will bring to bear on this job all the skills, experience and insights I have gained from my past responsibilities. And as I indicated at the beginning of this statement, I anticipate a close and effective working relationship with this Committee and other Members of the Congress. This is not a job that I or anyone could think of accomplishing alone. For this reason, I will seek your help and look to you for guidance, ideas and support.

The CHAIRMAN. The next witness is Mr. Horton, the nominee for Director, U.S. Bureau of Mines, Department of the Interior. Since 1976, he has been employed by Bendix Field Engineering Corp. as the director of the geology division. For 10 years, Mr. Horton was employed by the Nevada Bureau of Mines as associate director or as a mine engineer. He has also served as on officer of two petroleum exploration and drilling companies, and he has been self-employed as both a geologist and a mining consultant.

Mr. Horton's technical background and his broad experience in the mining industry are obviously well-suited for the position of Director of the Bureau of Mines.

STATEMENT OF ROBERT C. HORTON, NOMINEE TO BE DIRECTOR, BUREAU OF MINES, DEPARTMENT OF THE INTERIOR

Mr. HORTON. Before proceeding I would like to introduce my wife, Beverly, who is with me today, and to acknowledge the kind remarks that Senator Laxalt has submitted for the record.

Mr. Chairman and distinguished members of the Senate Energy and Natural Resources Committee, I am honored to appear before you today as President Reagan's nominee for the position of Director of the Bureau of Mines. I am deeply appreciative of the confidence that the President, Secretary of the Interior James Watt, and Assistant Secretary Daniel Miller have expressed by nominating me for this important post. With your concurrence and support, I look forward to carrying out the responsibilities entrusted to me to guide and direct the Bureau of Mines, a highly respected agency with over 70 years of service to the Nation and to the mineral industry.

I welcome the opportunity to serve my country where I am perhaps best qualified to do so, as Director of the Bureau of Mines. The Nation's increasing awareness of the importance of minerals will lead to increased responsibility for the Bureau. Its historic charter to collect, analyze, and report mineral statistical data is basic to the establishment and revision of mineral policies. The Bureau's research to reduce the environmental impacts of mining, to improve the health and safety aspects of mineral production and to develop the best means to recover and utilize strategic and critical minerals remains essential.

As our needs lead us to pursue less accessible and more complex mineral deposits, the Bureau's effort to develop the best technology to combat environmental damage and to protect mineral workers from the risk of death, injury, or disease, grows increasingly important.

So, too, we must wisely use our mineral riches. Future generations will judge us most harshly if we are not good stewards in the proper utilization and conservation of our finite natural resources.

The Bureau's work in defining and developing substitute materials and in recycling wastes will do much to better utilize the abundant resources we have been given. All of these tasks become evermore urgent if our Nation is to be master of its own economic destiny.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Horton follows:]

STATEMENT OF

ROBERT C. HORTON

NOMINEE TO BE DIRECTOR OF THE

BUREAU OF MINES

U.S. DEPARTMENT OF THE INTERIOR

Mr. Chairman and distinguished members of the Senate Energy and Natural Resources Committee, I am honored to appear before you today as President Reagan's nominee for the position of Director of the Bureau of Mines. I am deeply appreciative of the confidence that the President, Secretary of the Interior James Watt, and Assistant Secretary Daniel Miller have expressed by nominating me for this important post. With your concurrence and support, I look forward to carrying out the responsibilities entrusted to me to guide and direct the Bureau of Mines, a highly respected agency with over 70 years of service to the Nation and to the mineral industry.

With regard to my background, I was born into the mineral industry in Tonopah, a Nevada mining camp near my father's gold mining operation at Weepah. I have been associated with the mineral industry ever since, save for periods during World War II and the Korean conflict when I had the privilege of serving my country in the U.S. Navy. I have held professional positions in both the public and private sectors of the mineral industry. Most recently I served as Director of the Geology Division of the Bendix Field Engineering Corporation, contractor to the U.S. Department of Energy, where I directed the field geology evaluation and resource assessment activities of the National Uranium Resource

Evaluation Program. I have worked as a private consultant and examined mines in the western United States, Canada, and Mexico and served as vice president of a small oil firm, directing exploration and production activities in eastern Nevada. My public sector experience includes 10 years at the State level where I rose from Assistant Mining Engineer to the position of Associate Director of the Nevada Bureau of Mines, as well as brief service with the U.S. Geological Survey at the beginning of my professional career. I am the author of many articles on mineral resources and mining and was honored by the Reno Chapter of The National Society of Professional Engineers as their "Engineer of the Year" in 1967.

As a result of my lifelong involvement in the mineral industry, I bring to the position of Director of the Bureau of Mines a keen awareness of mineral problems and a strong conviction concerning the fundamental importance of minerals to our Nation's social, economic, and strategic well-being. Mineral products form the foundation of modern society. The tools and materials made from minerals have freed large segments of society from the all-consuming tasks of hunting and farming. Today, the work of six million agricultural workers and a like number of mineral workers permits 87 million other American workers to pursue the other tasks needed for a modern, industrialized society. Each of the ages of man - the Stone Age, the Bronze Age, the Iron Age, the Industrial Age, even the Space Age - reflect man's increased sophistication in the use of metals and mineral-derived compounds. And yet while we have grown increasingly sophisticated in our utilization of minerals, we are and

will always remain fundamentally linked to them for our progress and well-being.

At the same time, we live in a society and during an era in which the natural attributes of our lands and waters are highly valued. While there have been abuses in the past because of mining, I reject the contention that mineral production and the environment are antagonists. We have learned much and will continue to learn how to best extract and process the resources our security demands while seeing that environmental safeguards are met and maintained. A proper balance between environmental concerns and mineral production is necessary and achievable. Society has no alternative.

I welcome the opportunity to serve my country where I am perhaps best qualified to do so, as Director of the Bureau of Mines. The Nation's increasing awareness of the importance of minerals will lead to increased responsibility for the Bureau. Its historic charter to collect, analyze, and report mineral statistical data is basic to the establishment and revision of mineral policies. The Bureau's research to reduce the environmental impacts of mining, to improve the health and safety aspects of mineral production and to develop the best means to recover and utilize strategic and critical minerals remains essential. As our needs lead us to pursue less accessible and more complex mineral deposits, the Bureau's effort to develop the best technology to combat environmental damage and to protect mineral workers from the risk of death, injury, or disease, grows increasingly important. So too, we must wisely use our mineral riches. Future generations will judge us

most harshly if we are not good stewards in the proper utilization and conservation of our finite natural resources. The Bureau's work in defining and developing substitute materials and in recycling wastes will do much to better utilize the abundant resources we have been given. All of these tasks become evermore urgent if our Nation is to be master of its own economic destiny.

For my part, I fully intend to serve the Bureau of Mines for so long as it pleases those who entrust me with that responsibility. I look forward to the tasks ahead confident in the Nation's, the Bureau's and, yes, my own ability to meet the challenges.

I would be pleased to answer any questions you might wish to raise.

Thank you.

The CHAIRMAN. Thank you very much. We appreciate your statement this morning.

Our final witness is Dr. Peck, the nominee for the position of Director, U.S. Geological Survey. For virtually his entire career, beginning in 1951, Dr. Peck has been a a geologist with the U.S. Geological Survey. He has served as Chief Geologist since 1977. Dr. Peck's career with the Geological Survey has consisted of an impressive variety of duties and special assignments. He engaged in geologic exploration and research in Oregon in the 1950's, in Hawaii in the 1960's, and in California in the 1970's. He has served as a technical adviser to a number of science organizations, including the National Science Foundation and the National Research Council. Dr. Peck has also participated in at least eight international conferences on such subjects as geothermal power and volcano energy.

Dr. Peck, you may summarize. Your entire statement will be put in the record.

STATEMENT OF DR. DALLAS L. PECK, NOMINEE TO BE DIRECTOR, GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR

Dr. PECK. I wish to thank Senator Warner and Senator Schmitt for their statements, and to thank you for your generous remarks.

I am honored to be here as President Reagan's nominee for Director of the U.S. Geological Survey to provide whatever information you may desire about my experience and qualifications for that position. You have my biographical statement which I will summarize here by simply saying that I am a geologist who has

spent his entire professional career of more than 30 years with the Geological Survey, and I regard the Director's job as an honor, a challenge, and an opportunity.

These are exciting times to be in the Geological Survey, full of change and challenge. As a nation we have undertaken to reduce our dependence on foreign oil, and one consequence of that choice has been a search of unprecedented intensity for domestic oil and gas, much of it concentrated on Federal lands both on and offshore. Another consequence has been the sharp rise in the mining of Federal and Indian coal, which has increased sevenfold over the past 7 years and now comprises 10 percent of the Nation's total. Other consequences of great significance affecting energy resources—oil shale, geothermal resources, and nuclear fuels—also flow from the decision to seek a reasonable balance between foreign and domestic energy supply.

The solutions to these problems demand a response from the Survey in both its scientific and regulatory roles: We need to acquire a great deal more knowledge about the Nation's remaining energy resources, and we shall have to supervise and account for private exploratory and developmental activities on Federal and Indian lands that will proceed at a sharply accelerated pace. This latter task necessitates another: The modernizing and streamlining of past leasing and regulatory practices, including royalty accounting and collection, to more effectively serve the Nation's needs.

Our concern over foreign energy sources has recently been joined by a growing apprehension about the future availability of certain strategic and critical nonfuel minerals under a number of plausible assumptions. A major requirement here is for an assessment of our potential for satisfying an increasing portion of our requirements for at least some of these commodities from domestic sources: What, really, is our endowment of these minerals, and where are the appropriate places to look for them? We have far more questions than we have answers.

Water resources is another area in which the Survey will play a major role in the coming years. As the Nation's primary source of water data and expertise, the Survey can provide essential water-resource information for future decisions that must be made on such problems as the safe disposal of toxic wastes, the impact of energy development on water resources, ground water depletion, acid rain, and water use in drought-stricken areas.

In addition to the hazards we inflict upon ourselves that I have just noted, are those that nature periodically visits upon us where urban development intrudes upon areas prone to earthquakes, mudslides, volcanic eruptions, and land subsidence. The answers—aimed at reducing losses of life and property to these events—range from acquiring a reliable capability for predicting these occurrences to developing construction standards and site selection criteria to minimize their impact on the affected communities. We are encouraged by the progress we have made, and humbled by the distance we have yet to cover to reach these objectives.

Mapmaking has been a responsibility of the Geological Survey since its creation, and the need for maps of all kinds was never greater than today. We are just beginning a revolution in cartography: The assembly of a digital data base of topographic informa-

tion that will enormously simplify the process of keeping our map inventory current in response to manmade changes on the land and for constructing, on order, customized map products in graphic or digital form to meet the users' exact needs. But, we have a way to go, and much hard work lies ahead.

The last decade and a half have brought spectacular advances in the Earth sciences. I expect the Geological Survey not only to continue pushing forward these frontiers, but also to apply this emerging understanding to the solution of problems facing the Nation.

For example, fundamental ideas about the origin of the current configuration of the continents and oceans, ideas called the theory of plate tectonics, have led to new understanding of the distribution of petroleum and mineral deposits and the origin of earthquakes and volcanoes. Satellite imagery, such as that from the Landsat series, has provided new tools for assessing our energy and mineral resources. Computers and other electronic technologies are opening many avenues in Earth science investigation never imagined only a few years ago.

The power of these technologies for collecting, applying, and understanding topographic, hydrologic, and geologic data is immense; digital maps, modeling of hydrologic systems, and seismic prospecting for petroleum are only a few samples. Many new concepts about the Earth have sprung from these technologies, and even more must be expected in the future.

These ideas will continue to lead to concrete, practical applications to the needs of our Nation. The creative and balanced combination of basic research and investigation in Earth science on the one hand, and the application of existing Earth science expertise to the solution of national problems on the other, has been a tradition of the Geological Survey since its founding over a century ago. This is a tradition I value deeply and intend to continue.

These are a few of the challenges that face the Geological Survey as it prepares to do the will of the Congress and the administration in the years ahead. I cite them to emphasize that I do not underestimate the effort and skills that will be required, nor the difficulties of focusing this effort and these skills on the problems to be solved in a climate of personnel and budgetary restraints. But, neither do I underestimate the capacity of the Geological Survey and its great community of talented, loyal, industrious people to respond to the challenges that lie ahead. Foremost in that group is our Associate Director, Doyle Frederick, who has served most ably as our Acting Director for the last 7 months.

I will be pleased to provide further information if desired and to respond to your questions at this time.

[The prepared statement of Dr. Peck follows:]

Statement of Dr. Dallas L. Peck
Nominee for the Position as Director
U.S. Geological Survey

I am honored to be here as President Reagan's nominee for Director of the United States Geological Survey to provide whatever information you may desire about my experience and qualifications for that position. You have my biographical statement which I will summarize here by simply saying that I am a geologist who has spent his entire professional career of more than 30 years with the Geological Survey, and I regard the Director's job as an honor, a challenge, and an opportunity. To be nominated for Director of the U.S. Geological Survey is a culmination of a geologist's career. I am greatly appreciative of all the help I have received along the way, particularly from Professors Richard Johns and Marland Billings of Cal Tech and Harvard, and Drs. Francis Wells and Paul Bateman of the U.S. Geological Survey.

For more than 100 years, the U.S. Geological Survey has served the Nation as its principal research and fact-finding organization for the Earth, its processes, and its resources. For more than half that time, it has also been a steward of the Federal Government's leasable minerals, with the responsibility for their proper classification and evaluation, for their safe and orderly development, and for a fair return to the people for the use of their resources. The Survey is, therefore, committed to two roles: first, to be a source of objective, credible, useful information about land, water, and mineral resources; and second, to be a regulator of the activities of private parties who explore for and develop Federal and Indian-owned resources under lease.

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challenge. As a Nation we have undertaken to reduce our dependence on foreign oil, and one consequence of that choice has been a search of unprecedented intensity for domestic oil and gas, much of it concentrated on Federal lands both on and offshore. Another consequence has been the sharp rise in the mining of Federal and Indian coal, which has increased seven fold over the past 7 years and now comprises 10 percent of the Nation's total. Other consequences of great significance affecting energy resources--oil shale, geothermal resources, and nuclear fuels--also flow from the decision to seek a reasonable balance between foreign and domestic energy supply. The solutions to these problems demand a response from the Survey in both its scientific and regulatory roles: we need to acquire a great deal more knowledge about the Nation's remaining energy resources, and we shall have to supervise and account for private exploratory and developmental activities on Federal and Indian lands that will proceed at a sharply accelerated pace. This latter task necessitates another: the modernizing and streamlining of past leasing and regulatory practices, including royalty accounting and collection, to more effectively serve the Nation's needs.

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sciences. I expect the Geological Survey not only to continue to pushing forward these frontiers, but also to apply this emerging understanding to the solution of problems facing the Nation. For example, fundamental ideas about the origin of the current configuration of the continents and oceans, ideas called the theory of plate tectonics, have led to new understanding of the distribution of petroleum and mineral deposits and the origin of earthquakes and volcanoes. Satellite imagery, such as that from the Landsat series, has provided new tools for assessing our energy and mineral resources. Computers and other electronic technologies are opening many avenues in earth science investigation never imagined only a few years ago. The power of these technologies for collecting, applying and understanding topographic, hydrologic, and geologic data is immense; digital maps, modelling of hydrologic systems, and seismic prospecting for petroleum are only a few examples. Many new concepts about the Earth have sprung from these technologies, and even more must be expected in the future. These ideas will continue to lead to concrete, practical applications to the needs of our Nation. The creative and balanced combination of basic research and investigation in earth science on the one hand, and the application of existing earth science expertise to the solution of national problems on the other, has been a tradition of the Geological Survey since its founding over a century ago. This is a tradition I value deeply and intend to continue.

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The CHAIRMAN. Thank you very much, Dr. Peck. Your wealth of policy considerations recommended by the offices to which each of you have been nominated and the challenge is always to reduce the discussions to the essentials at a confirmation hearing rather than discuss the broad range of all of the policy issues which you will find yourselves inevitably drawn to and directed.

I couldn't help but think that perhaps Mr. Vaughan summarized the dilemma for all of us in the statement which appeared on the bottom of page 4 of the prepared statement and going on to the top of page 5, when you said, Mr. Vaughan, that from your perspective during past emergencies you had learned that in those episodes that the American economy can thrive under good decisions and it can probably survive under bad decision, but the uncertainty of no decisions can be disastrous.

I think maybe that is where indeed we are, and that leads me to the questions which I would like to direct to Mr. Hanzlik as, perhaps the Administrator who has the most contentious role to play, or at least the program which has raised more concern.

Before asking those questions, though, I want to emphasize something that Mr. Horton said in his statement, because I wanted to go with some emphasis. I would not want it to be overlooked.

Today the work of 6 million agricultural workers and a like number of mineral workers, permit 87 million other American workers to pursue the other tasks needed for modern industrialized society.

I remember as a very junior member of the other body, assigned to the Interior and Insular Affairs Committee under the chairmanship of Congressman Wayne Aspinall, his continued reiteration of the truth that has escaped many people. There is no wealth save that which starts with the use of a natural resource. Without that base there is no other economic activity. I appreciated your concentrating on that in your statement.

With that, and not to be unfair, I hope, but looking toward the difficulty of the administration and the Economic Regulatory Administration, I will ask you, Mr. Hanzlik, it has come to our attention that ERA enforcement actions in the past have sometimes

been based on retroactive interpretations of regulations where the company had in good faith relied on an earlier interpretation. What will be your policy with respect to that practice?

Mr. HANZLIK. As an attorney, that is a practice which I take strong issue with, and I understand the problems of the companies affected by these decisions, how they feel about this and their dislike of them.

My position is, those decisions that have taken place already, and the practice you are referring to is, I think, pretty much history now. We are just going to have to look at this on a case-by-case basis. Philosophically I am against these decisions. I understand why, in lots of cases this happened, but I think a fair answer is that as we go into these final enforcement pending cases we will just have to look very hard at that practice and come up with a fair decision.

The CHAIRMAN. There are a number of problems that are involved. These kinds of questions, as well as those on the other side, indicates that in the massive change of economic power in the world occasions by the rapid increase in energy price, there has been a great deal of confusion by pricing policies and regulatory policy in the United States. It isn't just the retroactive effect of ambiguous regulations.

I think we have contributed somewhat to that probably from the congressional level in some of the enactments we have passed which were less precise than the conditions in the marketplace demanded. Some companies have complained that compliance with certain ERA regulations exposes them to a substantial risk of price fixing violations under the antitrust laws.

We are told that in some cases ERA has asserted overcharges in an amount that exceeds gross profit in a particular sale, in effect seeking to require the seller to sustain a net loss on that sale.

I think there are a number of such problems to which you will address yourself, and I will not ask for specific responses at this time except to note that you are going to have to deal with those questions.

With regard to the retroactive application, I have been informed that there have been occasions when a party requested and received from ERA written or oral advice with respect to the application of regulations and has structured its operation on the basis of that advice, only to learn later, sometimes much later, that that company is then the subject of an enforcement action based on a theory that was contrary to the advice given. I assume that your answer to a question with respect to that would be similar to the first question.

Mr. HANZLIK. Yes, sir.

The CHAIRMAN. I understand from your statement what you indicate your policy to be, to get the decisions made. Do you think you have enough tools to get the decisions made? Have you had a chance to look at the regulatory structure, the number of personnel, the size of the budget, and determine whether or not you will be able to handle the volume of work that is necessary?

Mr. HANZLIK. Mr. Chairman, as you know, the ERA has been of some controversy during the past appropriations hearings. As I understand it, the Congress will be appropriating a fairly substantial

amount of money, in fact quit a bit above the administration's request. I do not know the specifics of the personnel and other budgetary requirements of the enforcement program. I operate with the assumption that we will make do with what we have within reason.

I also understand that the enforcement portion of the agency, which represents about two-thirds of it, perhaps more, is not undergoing the reductions in force that other portions of the agency is, so, therefore, the manning levels of this area should be at its present level, and once I get inside and have a chance to meet the people, and look at the programs, I will have a better understanding of the resources. I do believe, to answer your question specifically, that we do have at this moment the necessary resources.

The CHAIRMAN. Well, I know that you will know more about it a month from now than you do at this time as you get in there and start dealing with it. Certainly no one can quarrel that with the termination of controls that is in the best interest of everyone, including the Government and those subject to regulations, to conclude the enforcement program on an orderly and timely basis.

I appreciate your reaffirmation of what the President has said that there will be no amnesty for past violations. I know you will address yourself to the kind of questions which I have raised here this morning and which others have raised. When you have had an opportunity to review the status of ERA enforcement activities we would appreciate you providing us your estimate of the time and effort that may be required and any plan or schedule you have developed to achieve that objective, because I think it is essential that we get the past business concluded.

Mr. HANZLIK. That is my intention, Mr. Chairman. I will do so.

The CHAIRMAN. Thank you. I think it is important to clear the decks for a variety of reasons. People need to know what the regulations are, they need to know what their position is. The cases that are pending should be resolved. The charges that have been raised should be prosecuted to the conclusion of determining that those charges were right and that there should be corrective action taken or as a matter of fact they are not sustained by the evidence and the change should be laid aside, whatever those facts might be. I appreciate your commitment to that goal.

Senator Domenici?

Senator DOMENICI. Thank you, Mr. Chairman.

Just one further question to you, Mr. Hanzlik.

Mr. Chairman, I don't intend to go 5 or 6 minutes, if you will have somebody time me and make me hush after that.

The CHAIRMAN. We can call it to your attention.

Senator DOMENICI. Mr. Hanzlik, I wholeheartedly support what the chairman just said, but I want to ask a question with a slightly different approach.

Obviously, in your statement you indicate that you are going to have to get by with less personnel. If I understood you correctly, you indicated that you were going to try to do that. I would like to share my concern about your efforts.

In the past, the efforts of the Department that you will lead, you know, we built that up very rapidly with literally hundreds of personnel on, with an expedited approach to get the regulatory process

beefed up. It has been my experience that apart from it being complicated, and rules being inconsistent, that in the process of building this up so rapidly we had a lot of people out in the field handling the business of Americans that didn't know what they were doing. They literally were learning on the job.

I have had a number of instances that were deplorable from the standpoint of the way Americans were treated. Small businessmen—the big ones took care of themselves—a small distributor of Artesia, N. Mex., suffers a nervous breakdown when five people drop in who don't understand his business, and then he is wrong after 3 years of frustration and expense. That is only my horror story.

As you participate in reducing your staff, might I ask you if you have any intention of trying to separate out those that really know their business versus those that have been put on in the hurry up process of the last 3, 3½ years of building the staff? My hope is that you will not get rid of just arbitrarily the last in, first out.

I have no one in mind, but it appears to me you have to professionalize to a maximum what you have left in order to get this job done. Could I hear your thoughts on that, please?

Mr. HANZLIK. Within the constraints of the civil service regulations I fully share your viewpoints and your concerns. I am particularly a management person and I am going to look for efficiency and talent. I think one of the things the agency has suffered from in the past has been inefficient management, and this includes the direction of the field personnel, which represents two-thirds of the agency personnel. They are not in Washington, they are in the field, as you have indicated.

What I plan to do is during my first several weeks on the job, to carefully assess the resources of the agency and the productivity of the personnel and then begin to make adjustments in order to complete this program.

I am wandering off a little bit from your question, but it is relevant, I believe.

There is a difference I think in the approach we plan to take and what has been characteristic of the agency in the past, and that is there has been a determination, at least the impression has been given, to go after the oil companies, to put them in their place, to redress the wrongs they have committed. And there has been a presumption of guilt there. There have been numerous violations and some of them have been prosecuted, but in more cases, I believe there has been a lot of less certain, confusing and ambiguous violations.

The difference in approach is we want to complete this work, get it done, get it over with. The program has been terminated. There are companies out there that have been waiting 5 and 6 years to have these matters resolved. And in order to do that we will bring aboard, if necessary, the type of people who are committed to do this. There may be ample resources within the agency now that we can do this with, but I think the bottom line is completion, and win, lose or draw that is the objective on this program, doing it fairly and with justice.

Senator DOMENICI. Thank you very much.

Dr. Peck, I think all of us are delighted with your appointment and certainly if I ask you a question it isn't to in any way negate that feeling. I personally think that you are an excellent nominee and I hope you get confirmed expeditiously.

Just one question. I have my own ideas of what has gone wrong at USGS. I might like to ask you, what is the principal problem that you see in your new regime as head of this very professional operation?

Dr. PECK. Well, one of the largest problems over the last couple of years has been the dramatic increase in workload, in the regulation of Federal lands, mineral development on Federal lands; first the resource assessment and then the supervision of leases, both onshore and offshore. This has required a large increase in staff for our Conservation Division. Because of the increase in staff this has led to a reorganization, which I think will allow the Division to address these problems in a more expeditious fashion, but reorganizations are themselves disruptive, so I think the challenge is in integrating the Conservation Division more closely with the other divisions of the Survey and working together to carry out, without an increased staff, an ever-growing load of management responsiblities for the mineral development on Federal lands.

Senator DOMENICI. I was going to ask the same question to Mr. Horton but I fouled up your name. Would you agree that the morale has been affected by what you have just described, at least the perception of its professionalism has been somewhat affected?

Dr. PECK. Yes, I think the morale has been upset to a certain amount. There have been uncertainties about the fate of that function and whether it would stay with the Survey or be transferred elsewhere. These sorts of uncertainties lead to morale problems. I don't think they are serious problems. I think we will get on with it and improve the situation very shortly.

Senator DOMENICI. It would appear to me that frequently you have to do very detailed and difficult work and in the past you have started some of that from scratch as if no one else has preliminary type information or good information to assist you. Is that a fair assessment, especially in the offshore area?

Dr. PECK. Well, I am not sure that I would agree with that. It is human nature to kind of dismiss what others have done and think that you have to do it all yourself, but there is a real effort made to gather all the available information before proceeding, whether we are working offshore or onshore.

Senator DOMENICI. Let me move over to Mr. Fiske for just a minute. I have had an opportunity to talk with you briefly about your new role, and obviously you bring some tremendous management experience, but you don't have experience in this size of Government type agency, and I am not the least bit worried about whether you are going to succeed.

I want to ask you just a couple of questions that have always been asked of the Department of Energy, with reference to—let me just zero in on a major lab and use it as an example. We will call it a scientific laboratory. Since it does significant work in the nuclear field for the military it wears kind of two hats under the direction of the University of California. It does that work for the military, but the Department of Energy supervises even that military work.

My first question is I assume you agree with that approach, that that should not be shifted exclusive to the military but rather should continue under the direction of the Department of Energy; is that correct?

Mr. FISKE. Yes.

Senator DOMENICI. My second question is related. Because that has been the case frequently in the past there have been efforts to take a lab like that one, and there are a few others that do some significant military work, and to take away all other work and relegate it to a single purpose type lab doing military work. That has been suggested internally in the past. It has been refuted here in Congress and by previous administrations on the basis that a good lab requires diversity of interest which builds the enthusiasm, incentive for good scientists, which has a tendency to be throttled if you put them into one isolated work producing the basic formats for the bombs.

Would you tell me whether you agree with that premise?

Mr. FISKE. There is a separation of the budget where moneys can be spent for transfer back and forth. But the national labs are so important to us in terms of long-term protection for the country and to later answers for energy sources such as fusion, that there is a common ground for technology on the long term that fits both. Where that matches it would be foolish to do it in two places at the same time.

I am anxious to visit the national laboratory, because I think it is a pool of technological talent that doesn't exist anywhere else in the world.

Senator DOMENICI. Thank you very much.

Mr. Vaughan, with reference to SPRO, the successful operation of filling and manning the SPRO would come under your direction?

Mr. VAUGHAN. That is correct.

Senator DOMENICI. The Strategic Petroleum Reserve, both conceptually and with reference to its management and operation is a subject of a great deal of controversy and a great deal of acrimony in terms of whether it has been handled right, what ought to happen to it, whether we ought to pay for it.

Do you have any experience with the Strategic Petroleum Reserve to quickly discuss with this committee how you see its operation, what you see happening to it, and can you see some improvement in the way it has been handled?

Mr. VAUGHAN. I think I can address generally the subject without a great deal of specifics at this stage. As I understand it, the Strategic Petroleum Reserve under this administration rises to even a greater importance in the national plan for dealing with emergencies. It is a keystone along with the marketplace. As I analyze it, there are two fundamental facets to this administration's approach.

Yes, I am aware of the fact that the Strategic Petroleum Reserve has received some criticism in the past. I hope to be able to increase its efficiency significantly. I hope to do that partly by conferring with the people I know in the industry that run it for profit, such as the oil industry, and I hope to see that run as efficiently as we can expect our major oil companies to be run so that it is in a position to serve.

Now, other than that at this stage, Senator, I am not familiar with the detailed specifics in the last several months, since I have not been privy to that information.

Senator DOMENICI. Do you consider that your role with reference to the SPRO to be a significant role?

Mr. VAUGHAN. Yes.

Senator DOMENICI. And based on your experience do you intend to personally involve yourself in the various operations with reference to Strategic Reserves and, in particular, the Federal Government SPRO itself?

Mr. VAUGHAN. Absolutely, Senator. I intend to be personally involved with that and the Naval Reserve as well. It seems to me they are both part and parcel of our ability to offset foreign control.

Senator DOMENICI. There have been a number of hearings before this committee with reference to other reserve sites called SPR maximizing the reserves that industry can contribute in the event that we have another significant curtailment. I would hope that you would look at that also, and if you have any ideas for this committee or the Congress with reference to how we can encourage and promote reserves outside of SPRO that you would address that issue also. There have been times when the private sector in a short period of time, like 6 months, accomplished the creation of more reserve inventory on their own than we were capable of putting in SPRO. From my standpoint, I would hope that you would consider that to be a serious part of your role, to make sure that we know what we should and shouldn't do to encourage the maintenance of that kind of excess reserve inventory.

Mr. VAUGHAN. I couldn't agree more, Senator. I think that is another very important factor, and I think you have mentioned what I think is the key to that, some form of incentive. I don't know yet what specifically that ought to be or what we should recommend. I will tell you from my experience in the private sector one of the disincentives that existed was the fear of it being allocated to someone else. In other words, the prudent squirrel would be criticized for storing up for the winter and called a hoarder. That to the oil companies is a position that is intolerable, and faced with that I think efforts to encourage storage would be difficult. So I think it is a matter of confidence in a plan that has a role for the private sector's own reserves, and that becomes another national asset.

Senator DOMENICI. One last question, and that is my last for the whole panel, Mr. Chairman. It is directed also to Mr. Vaughan.

It is my understanding that your role in terms of environmental protection and safety, one aspect of it is the health, safety, environmental conditions of those who work for the Department of Energy in the Department of Energy's various programs, labs and the like. Is that not correct?

Mr. VAUGHAN. Yes. As I understand it, it is our own employees and the employees of our contractors in the Government-owned contractor-operated plants.

Senator DOMENICI. My understanding, Mr. Secretary, is that our record in that field is excellent with reference to the health and safety of those that work in the areas you have just described; that we have historically done better than the private sector; that we are indeed an example with reference to health and safety aspects

of what could be a very dangerous environment. If that is true, and I think it is, you are committed to maintain that excellent posture, are you not?

Mr. VAUGHAN. Absolutely, Senator. I know the theory is that we should be exemplary. Whether we are considered to be such at the moment I cannot answer. I certainly believe that we should be, and I will make every effort to see that we are an example.

Senator DOMENICI. I expected you to answer the question, yes, but I don't ask it lightly because I do think it is one of the areas that your are involved in. We have to be an example because many of them are very controversial in America, and to the extent that we can contribute to safety in touch areas like environmental control and the like, I think we can contribute far beyond to helping our work force have a safe environment. I hope that you will be concerned.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Melcher?

Senator MELCHER. Mr. Fiske, I want to pursue a rather small budgetary item with you: It also has something to do with policy and what your attitude is on policy in the Department of Energy.

About a year ago, perhaps that's a bit too long a period of time—let's say about 7 or 8 or 9 months ago, a utility firm in Montana, Montana Power Co., applied to the Department of Energy for funding of a feasibility study of a rather modest amount, somewhere around $1 million. The feasibility study was to determine whether a joint venture for their next powerplant using an MHD topping cycle might be worthwhile.

Under the Synthetic Fuels Act it would be possible to have a joint venture with an MHD topping cycle with a private Montana firm. Montana Power will build another powerplant, they believe, starting in 1987. They would like to include a topping cycle using MHD technology if it is at all feasible. We were led to believe by the Department that it was agreeable to initiate the feasibility study.

A month or two after that, the Montana Legislature appropriated $500,000, a half a million dollars, to be part of a matching sum if the feasibility study with the Department of Energy was found to be acceptable. They were led to believe that it was all cleared and now, during the last couple of months, we find out that it is not clear, and we have been given two reasons. One is budgetary.

The request now, since the State of Montana came in with $500,000, matching is for $500,000 for the Department of Energy. Budgetary things I understand very easily, but the second point was whether it would be the policy of the Department of Energy and this administration to consider joint ventures on technologies such as MHD.

So a feasibility study can't get off the ground to see whether it would make any sense to use a technology because we don't know what the policy would be if the feasibility study said, yes, go ahead.

It seems to me that we are just sort of backing and filling on this. I don't believe a half million dollars outlay of the budget of the Department of Energy is an earth-shaking amount, and it cer-

tainly isn't as earth shaking as it is for the Montana Legislature to toady up half a million dollars.

I am wondering what your attitude on this is, whether you have some doubts as to whether the synfuel bill that was passed should be implemented, whether we should have some feasibility studies prior to implementing it on specific items or not.

Mr. FISKE. I am not familiar with that particular circumstance you described. I have not been working in the Department of Energy up to this point. I am just becoming aware of some of the technology areas, including MHD with which I am familiar as a layman.

I think there are many areas that need to be looked at, but in the synfuel area I would view my job as one of management, so if programs like that are within the Department I would look at my job as to see that they are managed in a cost-efficient way. I would do the best job of administering the program once it has been approved.

Senator MELCHER. Do you believe that feasibility studies are essential to determine whether a program is cost effective?

Mr. FISKE. Feasibility studies are made usually to determine whether they have promise at the very first stage. I intend to make that one of my early assignments, to look into that and learn as much as I can about it.

Senator MELCHER. I don't know that I understand your answer. You believe that feasibility studies assist in making policy decisions?

Mr. FISKE. I think feasibility studies must be made in terms of high technology where you must determine its future possibilities. You wouldn't start a new business without examining it carefully as to its feasibility to become a future commercial product.

Senator MELCHER. Yes; I agree completely, but I want to be clear on whether you think small expenditures for feasibility studies is in making that decision on policy, and I believe your answer is, yes.

Mr. FISKE. It sounds reasonable to me, and I will be glad to look into that situation.

Senator MELCHER. The second part. Do you believe feasibility studies assist in determining where a technology is at?

Mr. FISKE. They should.

Senator MELCHER. If you look at both those points in that way, I am satisfied with your answers. I would like to discuss this more thoroughly with you because I believe as Under Secretary you are going to be the day-to-day person, right?

Mr. FISKE. Yes.

Senator MELCHER. That advises the Secretary on where we are going in our budget and so on.

Mr. FISKE. Yes.

Senator MELCHER. Thank you very much.

Now I want to get into a line of questions here with Dr. Peck.

Dr. Peck, I know it is in here, but just how many years have you been with USGS?

Dr. PECK. Thirty years. I started as a field assistant in 1951 and came on full time after completing my graduate work in 1954.

Senator MELCHER. And there haven't been interruptions in that, then?

Dr. PECK. No.

Senator MELCHER. Where do you rank as compared to Dr. Doyle Frederick before he became Acting Director?

Dr. PECK. Well, my present position is chief geologist. I am the head of the Geologic Division and my whole career has been as a geologist in the Geologic Division.

With respect to Doyle, Doyle is now Acting Director. Before that he was Associate Director, and before that he was head of one of the major components of what used to be called the Topographic Division.

Senator MELCHER. You outrank him? No; I mean before he was Acting Director you outranked him?

Dr. PECK. Before he was Acting Director he was Associate Director to Director Menard, so Doyle outranked me.

Senator MELCHER. You didn't outrank him?

Dr. PECK. Right.

Senator MELCHER. You did not outrank him?

Dr. PECK. Agreed.

Senator MELCHER. As a layman in this field, I happen to appreciate your remarks about expertise and the long traditional history of the USGS. Doyle Frederick is the same way on it. But you do happen to have in the USGS something that is called the Conservation Division. You have not spent any time with it, I take it?

Dr. PECK. None of my career has been with the Conservation Division. Over the last several months I was learning about the many aspects of the Conservation Division.

Senator MELCHER. You have been worried about it?

Dr. PECK. And learning.

Senator MELCHER. Have you been worrying about it?

Dr. PECK. I have been worrying about it, too.

Senator MELCHER. I can assure you if you get this job, you better worry about it. You have never had any contact with the Conservation Division or how does this work?

Dr. PECK. I have had contact with individuals in the Conservation Division over the full 30 years. During the last 4 years we have been meeting on a regular basis with the Conservation Division to look into matters where both the Geologic Division and the Conservation Division are involved.

Senator MELCHER. You have never spent any time in the field in Conservation Division work, have you?

Dr. PECK. No.

Senator MELCHER. You have never been connected with the Conservation Division's responsibility for determining whether or not the oil and gas produced onshore or offshore—offshore on Federal leases, offshore on Federal leases or onshore on Indian leases, has been properly accounted for?

Dr. PECK. I have had no connection with that until the briefings on the situation over the last few months.

Senator MELCHER. What is going to be your recommendation about what to do with the Conservation Division? Do you have any recommendation right now that you can share with this committee?

Dr. PECK. My recommendation is that it should continue to function as a Division of the Geological Survey.

Senator MELCHER. Should what?

Dr. PECK. Continue to function.

Senator MELCHER. Continue to function?

Dr. PECK. Yes.

Senator MELCHER. Do you believe that it is a responsibility of the Conservation Division and, therefore, of the USGS to make certain that the oil and gas produced on these leases, Federal or Indian, are properly accounted for?

Dr. PECK. Yes, indeed, I do, Senator.

Senator MELCHER. Do you believe that you have to enforce regulations?

Dr. PECK. Yes.

Senator MELCHER. Do you believe that it is onerous to be the cop on the beat?

Dr. PECK. Well, it is our responsibility.

Senator MELCHER. What do you mean, it is our responsibility? What do you see as being the cop on the beat?

Dr. PECK. One of our responsibilities is to supervise mineral leases, oil and gas, and mining leases on the Federal lands, and as a result there is an aspect of that job that is the cop on the beat.

Senator MELCHER. You supervise the leases. Are you saying that you not only supervise the leases per se, but you supervise and account for the production from those leases?

Dr. PECK. We also are responsible——

Senator MELCHER. Let's take it one point at a time.

Dr. PECK. Yes. The answer is yes.

Senator MELCHER. And that is actually enforcing regulations as if you are an enforcement agency?

Dr. PECK. Yes, although there are, of course, limitations to our authority and responsibility, and when it comes to accounting for the royalty, for example, and I am talking as one who is not completely up to speed on this matter, we do not have authority for checking oil moved off the lease.

Senator MELCHER. Do you want that authority?

Dr. PECK. I am not sure that we do, and I really don't know enough of the pluses and minuses to give a very good answer, Senator.

Senator MELCHER. You ought to be the cop on the beat but you don't know how far the beat should be?

Dr. PECK. That's right.

Senator MELCHER. Well, it is a matter of law. If you become—and I assume you will become—the Director, your recommendation will be taken into account. Now, have you discussed this with Secretary Watt's group that is looking at this?

Dr. PECK. Yes; we have discussed it with Secretary Watt and with Mr. Linowes, Chairman of the Investigative Committee, with Mr. Mulberry, the Inspector General of the Department, with Dr. Miller, Assistant Secretary, and, of course, many of the staff members in Geological Survey.

Senator MELCHER. Well, when you are confirmed, and I will say, when, you are going to be inheriting one of the biggest messes that anybody has had to put up with in regard to receipts of Federal revenue and whether or not they have been taken care of over the past 10 years. That was exactly the point of my question, whether

you were leapfrogging the Acting Director, or whether you are more senior to him to begin with. Maybe he didn't want the job, is what I am thinking.

Dr. PECK. Well, the procedure for selecting the Director of the Geological Survey traditionally is a long process. It involves a nomination by a committee of the National Academy of Sciences set up for that. Traditionally the Director of the Survey has been a scientist, geologist, or hydrologist, I wasn't privy to all the discussions that went on by the Academy, what all the reasons were for choosing those that they recommended for the position, but I think one reason, perhaps, that I was on it was that I had a background as a geologist and that Doyle has not a background in geology. His background is mathematics and research cartography. That traditionally has not been a discipline from which the Director is drawn.

Senator MELCHER. I appreciate that and I respect that also, but I think it is unfortunate that is the Conservation Division is under the directorship of scientists. The Division must be very hardnosed and must be very much on the ball in preventing oil thefts or irregularities. I don't know whether any of you people think of that as the responsibility that has to be met head on. I just wonder whether you do.

Dr. PECK. Well, I think it is a responsibility that has to be met head on. I think, really, that the Survey has made fairly good progress in the last several years in trying to address the very large and difficult problem of royalty and royalty theft. I believe that more has to be done, but I think that some progress has been made.

Senator MELCHER. Well, I don't know where that progress is. We have been looking at it for almost a year now and hopefully trying to find some progress, but we don't find that there is any reorganization of the basic problem, namely the Conservation Division. Whether or not inspectors are well trained and know what they are doing in the field and they still follow their own regulations.

You mentioned the part about whether you could file for an oil lease. That is a point of law. Under the regulations you have the authority and responsibility to make sure that what is produced is itemized, accounted for, and paid for. That is not all that hard to investigate, but it seems to be very difficult for the Conservation Division to develop a system to assure that.

Dr. PECK. But over the last year, Senator, we have made a lot of progress in inspecting a very large percentage of the leases on the producing wells, which is something like 45,000 producing wells, inspecting the seals and locks, where seals and locks are missing there is a problem.

Senator MELCHER. Yes; we followed right behind some of those crash program inspections and found out that there weren't seals where they were supposed to be, and that sometimes there were even seals that you could remove by hand, take them off, open the valve, take out the oil, and replace the seal. So much for that.

I don't want to belabor this point with you, but I am warning you that this Conservation Division is in disarray and all this talk about how much inspection has been done and how we have done a better job in the last 8 or 9 months isn't washing. We found that

out in our own investigations and now the Linowes Commission is finding it out in testimony that they are receiving.

I wonder if you are aware that that Commission and perhaps this committee and—I am not going to speak for this committee because this committee has only had one hearing on it, but I wonder if you are aware that the Select Committee on Indian Affairs, which has jurisdiction over the Indian leases, will probably recommend a very serious reorganization of the Conservation Division?

Dr. PECK. No; I wasn't aware of that, Senator.

Senator MELCHER. And I have only been to one meeting of the Linowes Commission, 1 day of their hearings, and from discussion they have had they are going to have very serious recommendations for the Conservation Division, too.

What I am afraid of is you're walking into something that, is a professional group, that is undoubtedly of great renown, a very fine scientific organization that has served the country very well, but now has a Conservation Division that has let things get out of hand in doing a very simple job of accounting for oil and gas production, making sure that it is honestly handled, and you will find that that type of work is beyond your scope of experience and comprehension.

Dr. PECK. There has been a problem in the past few years because of the increased number of leases and wells and the increased price of gasoline. I think it is our responsibility to get out and do a better job. I think we have made progress in the past year and I intend to give it my fullest attention over the next few years.

Senator MELCHER. Do you believe that you ought to have as the first part of the Conservation responsibility the flow diagrams from the well to the storage tanks?

Dr. PECK. With my background in granite petrology and vulcanology I can't give you an informed answer. I don't know whether a flow diagram would be helpful or not.

Senator MELCHER. Who would be in charge of the Conservation Division if you became the Director?

Dr. PECK. At the present time Andy Bailey is Acting Director of the Conservation Division. The paperwork is proceeding to advertise very broadly for candidates, including Mr. Bailey, if he is interested, to apply for the job, and we will consider them all very thoroughly and make a selection, hopefully some time this fall.

Senator MELCHER. The royalty accounting system which has been described by Dr. Kash, Mr. Frederick, Secretary Watt, as being so loose and archaic and maybe missing $1 million a day in accounting, royalty accounting on Federal and Indian leases, has sort of focused people's attention on how bad a system USGS might be using for that accounting system.

I want to tell you very clearly that while that figure is used, it is not my personal feeling that that means every day $1 million is not accounted for. I just think that the statement stands on its own, and the statement is that $1 million a day could go unaccounted for. So I don't think we should take that statement beyond that, and I certainly don't.

I think the accounting system is archaic, I think it is incomplete, I think it loses money because it is so slow, and I think often it is highly inaccurate, but that doesn't add up to $365 million a year. I

am not saying that, I don't want anybody to interpret that, and I don't want to give you that impression. But in your professional career, 30 years ago there were hardly any accountants in the USGS, were there?

Dr. PECK. Not trained accountants.

Senator MELCHER. That's right, not trained accountants. If a CPA walked in he would have had to be somebody from the private sector, right?

Dr. PECK. Back in the early 1950's; yes.

Senator MELCHER. What is your professional attitude now on accepting a lot of these accountants to do that royalty accounting work?

Dr. PECK. Obviously, of course—we moved, I think, in the early mid-1960's into what was then a much better accounting system and, indeed, had some honest to God accountants running the system, and I think the reorganization of the Division which has been going on in the last year, the centralization of accounting functions in Denver, the move toward a really much better financial accounting system and the start of a move toward a better production accounting system will mean that we can do a far better job in carrying out this function.

Senator MELCHER. Has the contract been awarded to streamline the royalty management system—this is a contract that was supposed to be awarded some time in September.

Dr. PECK. It has not been awarded yet, but is within a very short time of being awarded.

Senator MELCHER. I was out in Denver at Building 85 in this new sort of subdivision of USGS. I was discussing with those people out there the implementing of the "improved royalty management system." There is a lot of doubt about how that program is going to work. Chiefly, it doesn't seem, as it starts out, as they envision it out there, to tie in with any type of improved inspection system, and the improved inspection system I am speaking about is what does that inspector of USGS, what does he do, how is he trained, he or she, to perform as the cop on the beat on the lease itself?

Dr. PECK. In Wind River we need both functions, Senator. I think we do need an improved royalty accounting system, but we also need perhaps a few more cops on the beat and better trained cops on the beat.

Senator MELCHER. We all agree on that. But there doesn't seem to be a link between the improved accounting system to make sure that the inspection in the field that is the basic work to determine how much oil and gas is produced, that is what seems to be missing.

Dr. PECK. This gets into matters that I don't fully understand. My impression is, though, as they move either both to an improved financial system and a production accounting system, that would be able to——

Senator MELCHER. No, the production accounting system does not seem to start on the lease, and that is what bothers me. The production accounting system starts with a monthly report from the oil company, their self-generated report, and it is a monthly report now required by USGS. The new royalty accounting system, however, seems to go no further than the oil company's monthly report.

That disturbs me because unless you go back to the lease itself and say, well, this is how much oil that came out of these wells and went into these storage tanks and was sold, I don't know how you have a good accounting system.

Dr. PECK. You have to look at a historic trend of production from a given——

Senator MELCHER. Historic trend of production could be a historic system where, you know, I don't think they cart this stuff off by the tanker load. There may be an oil tank load, a truck tank load every now and then, but I think when it is stolen it is stolen in small quantities, and that is historic, and so I don't—you know, that type of answer worries me.

Dr. PECK. I agree we need a better inspection system too, and indeed we have John Duletsky, who is one of the very experienced old hands from the Conservation Division, giving orders to the inspectors to improve. We set up a quality assurance team to go around——

Senator MELCHER. How many people are on that quality assurance team?

Dr. PECK. I don't know exactly. My impression is three or five.

Senator MELCHER. My impression is it is three, and five would be too many, but there is only one quality assurance team?

Dr. PECK. That's right.

Senator MELCHER. How many leases did you say?

Dr. PECK. If I recall, 26,000 producing leases.

Senator MELCHER. One quality assurance team is going to hit how many leases a day?

Dr. PECK. I don't think that the quality assurance team's main job is to work with the inspectors, not the leases. We need more inspectors, too, and we are now——

Senator MELCHER. I am just trying to portray the one quality assurance team, one swat team isn't going to get very far. Would you recommend more?

Dr. PECK. Well, I am not sure I agree.

Senator MELCHER. Are you going to recommend more inspectors?

Dr. PECK. Yes.

Senator MELCHER. How many more?

Dr. PECK. About 50 more.

Senator MELCHER. Fifty?

Dr. PECK. Yes.

Senator MELCHER. Fifty more?

Dr. PECK. Well, the present staff is 50. That is a 100-percent increase.

Senator MELCHER. Yes, and the present staff has been able to visit each lease about once every 3 years.

Dr. PECK. Well, one step at a time.

Senator MELCHER. What you are saying is that you would recommend an inspector to visit each lease every year and a half?

Dr. PECK. Well, if you say so, sir.

Senator MELCHER. Well, I think you are going to get some advice on this.

Dr. PECK. Yes, I can see that.

Senator MELCHER. There is one final point I want to ask. Are you familiar with a run ticket?

Dr. PECK. Yes, I am familiar with it.

Senator MELCHER. What is your attitude?

Dr. PECK. My attitude toward what?

Senator MELCHER. Run ticket.

Dr. PECK. Run ticket?

Senator MELCHER. I don't think you are too familiar.

Dr. PECK. When they deliver oil they fill out a copy that goes——

Senator MELCHER. Let me get a little background into this because the term itself may not be too familiar to you. When the oil is transported for the first sale, whether by pipeline or by truck, would it be your intention to develop an accounting system that used that as a first basis of accounting?

Dr. PECK. I don't know enough to make a commitment on whether we should be using run tickets versus production figures from the lessee. My impression is at the present time our royalty system is based on aggregated sales figures.

Senator MELCHER. Well, now that is not the lessee, though. You said production figures from the lessee.

Dr. PECK. That is what I said.

Senator MELCHER. The company figures that I was describing are the figures that are generated on a monthly report of the purchaser of the oil. That form is 9-329, that is not the lessee.

Now, my question is to that very point. Would it be your intention that the accounting system—not your intention—for sure that the accounting system devised will start with the basic figure of the production, which would be from the lessee—you can get it from the lessee, your inspector or somebody, but it starts at the wellhead. If it isn't the wellhead you have to tag at the storage tank on the lease.

Dr. PECK. At the risk of saying something foolish, I am not that much up to speed with the program, I should beg off giving you a direct answer on that. I need to be better informed.

Senator MELCHER. That is fair enough, because I don't think without examining it yourself you can give me your correct feelings. I would like for you to examine it yourself and give me your correct feelings on that point, because I think it is so basic that I don't know how you could operate the Conservation Division and how you could implement a new royalty system that is going to take years to develop without a starting point. My concern, very frankly, is if you don't start on the lease I would find it difficult to believe that you could perform in the capacity as Director of USGS that will be required.

There would be, of course, an exception to that, and that would be if we weren't going to leave the Conservation Division within the USGS, and we would assign whatever responsibilities they have for oil and gas leases to somebody else. That is always a possibility, but if you are going to be the Director of USGS and the Conservation Division is going to be responsible for this new accounting system and actually having honest production figures, I think I would like to understand your attitude on this most basic point. Without that I don't believe there could be any successful cleanup of this mess and we are now in on both Federal and Indian oil leases.

There is one other point. What is your feeling about USGS responsibility in case of inspectors on the job, in the field, in the oil patches, and whether or not there is stealing of equipment?

Dr. PECK. You mean whether they——

Senator MELCHER. I don't know. I am grasping here, because a lot of equipment is being stolen. Is this the responsibility at all of USGS, or should it be?

Dr. PECK. We have been having meetings on a regional basis with industry people looking at the problems of royalty accounting and we have also been working with the IOCC and will be working with additional State and gas commissions to begin looking at this problem. Some of them have broader authority of responsibility and out of that may come some shared responsibilities and some ways we can help each other out, particularly on the oil theft problem.

Senator MELCHER. All right. There may be some way of helping on that, and it is certainly different than the theft of oil or gas where there is Federal or Indian ownership involved. I do expect this back from you, Dr. Peck, your attitude on how we tie in the basic economy at the lease itself in with the rest of it and how you would recommend that that be accomplished.

Dr. PECK. Well, with your permission, sir, I will look into the matter and get back to you. Something tells me you will be discussing this matter several times in the future.

Senator MELCHER. Yes.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Melcher.

I thank each of you gentlemen. We just scratched the surface on a number of very contentious and difficult issues, and I look forward to working with each of you gentlemen in the months and years to come.

I think it is obvious from your backgrounds and qualifications that each of you gentlemen has information to contribute in a very marked way to the department responsibilities for which you have been nominated. I think there is a commendation to Secretary Edwards and to Secretary Watt for having made the selections that have been approved and sent to us by the President, and we look forward to rapid confirmation of each of you gentlemen. Thank you very much for your appearance.

There may be members of the committee who wish to submit questions for responses in writing. I would hope that you would respond quickly and fully to those questions, if submitted.

Thank you, gentlemen, very much.

[Whereupon, at 12:01 p.m., the hearing was adjourned.]

APPENDIXES

APPENDIX I

Information Statements of Guy W. Fiske, William A. Vaughan, Rayburn Hanzlik, Robert C. Horton, and Dallas L. Peck

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Fiske (LAST) Guy (FIRST) Wilbur (OTHER)

Position to which nominated: Under Secretary: Dept. of Energy Date of nomination: 8/28/81

Date of birth: 28 (DAY) Sept. (MONTH) 1924 (YEAR) Place of birth: Upton, Massachusetts

Marital status: Married Full name of spouse: Elsie Jacqueline Strachan Fiske

Name and ages of children:

Jacqui Lynne Lazo	Age 30	Daughter
Melinda Phillips Winslow	Age 26	Daughter
Melissa Payzant Oglesby	Age 26	Daughter

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Brown University	Sept. 1941 - Feb. 1944 & July 1946 - Sept. 1946	B.A.- Math	June, 1947

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

Board Chairman - Asbestos Corp. Ltd. -	(54.6% owned Montreal by GD) - Quebec -	1977-1981
Executive Vice President & Director -	General Dynamics Corp. - St. Louis, Missouri -	1977 to present
Corporate Vice President & Group Executive -	ITT Corp. - New York City, N. Y. -	1972-1977
Product Line Manager -	ITT Corp. - New York City, N. Y. -	1968-1972
Manager-Specialty Products Operation -	General Electric Co. - Computer Div. - Phoenix, Arizona -	1967-1968
Director, Marketing -	G.E. Co.:Capacitor Department - Glens Falls, NY -	1964-1966
Manager, Marketing -	G.E. Co.:Electronic Specialty Products - Columbia, S. C. -	1963-1964
National Sales Manager -	G.E. Co.:Electronic Specialty Products - Columbia, S. C. -	1962-1963

Employment record—Continued

Regional Manager	G.E. Co.: Wiring Device Division - New York City, N. Y.	1960-1961
District Manager New England	G.E. Co.: Construction Materials Division - Boston, Massachusetts	1959-1960
Sales Engineer	G.E. Co.: Construction Materials Division - Baltimore, Maryland	1950-1958
Sales Trainee	G.E. Co.: Construction Materials Division - Bridgeport, Connecticut	1949-1950
Sales Agent	Felt & Tarrant Mfg. Co. - Providence, R. I.	1947-1948

Military service: Enter all military service if not included above: service, dates, rank, type of discharge.

Naval ROTC, Brown University, Jan. 1942 - Feb. 1944 (active duty while at college). Commissioned Ensign, Feb. 1944. Service on active duty, Feb. 1944 - July 1946. Separated in July 1946 as Lieutenant USNR. Continued reserve duty through 1959. Present status and rank: Retired Lieutenant Commander.

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

None, other than seven Pacific battle stars for Pacific War invasion, World War II.

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)		Dates
Electronics Industries Assn.-Telecommunications Section	Director	-	1980 to present
Tastevin Association -	(no office)	-	1978 to present
Old Warson Country Club, St. Louis -	(none)	-	1977 to present
Metropolitan Club, New York City -	(none)	-	1974 to present
Bloomfield Hills Country Club, Michigan-	(none)	-	1974 to present
Port Royal Golf Club, South Carolina-	(none)	-	1969 to present
Retired Officers Association-	(none)	-	1950 to present
Republican Party Member			
Arthritis Association of Missouri-	Director	-	1979 - 1981
St. Louis Club-	(none)	-	1977 - 1981
Automobile Engineers Association-	---	-	1972 - 1980
Electrical Engineers Association-	---	-	1954 - 1959
Sigma Nu Fraternity-	Treasurer(1943)		at college

Published writings: List the titles, publishers and dates of any books, articles, or reports you have written.

-- Wrote two case studies used in Harvard Business School MBA Program, 1959-1960

-- Numerous speeches

-- Article, "Communications (R)evolution", 1981

-- Wrote History of U.S.S. Sumter APA-52 for Navy Archives, 1946

Qualifications: State fully your qualifications to serve in the position to which you have been named.
(attach sheet) See Page 4a.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

If confirmed I will take early retirement from General Dynamics. Pension plan and option programs are explained on page 5a and the statement of the DOE designated agency ethics official attached to that page.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization.

No

3. Has anybody made you a commitment to a job after you leave government?

No

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

(b) If you have been appointed for an indefinite term, do you have any known limitations on your willingness or ability to serve for the foreseeable future?

None

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

See page 5a and attachment.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

See page 5a and attachment.

GUY W. FISKE

Guy W. Fiske is Under Secretary, designate, of the U.S. Department of Energy (DOE). In this position, Mr. Fiske would be the Chief Operating Officer of the Department responsible for overall program planning and implementation.

Mr. Fiske is a corporate executive with comprehensive management experience. Since 1977, he has been Executive Vice President and Director of General Dynamics Corporation of St. Louis, Missouri, a major defense contractor and a telecommunications and information systems firm. He also serves as Chairman of Asbestos Corporation, Ltd., a Montreal-based firm whose shares are 54 percent owned by General Dynamics. Asbestos Corporation mines and processes asbestos fibre in Quebec and West Germany.

During the priod 1968 to 1977, Mr. Fiske served with International Telephone and Telegraph Corporation (ITT) in various executive positions. From 1972 to 1977, he was Corporate Vice President and Group Executive, Automotive Products Group-North America, with responsibility for 35 production centers and a broad product distribution system. Earlier assignments included Product Line Manager-Worldwide, Controls and Instruments, Electrical and Electronic Components, and Plastics. During the period from 1969 to 1972, he created a worldwide automotive parts and distribution business through acquisition of 31 companies in North America, Canada, and Europe. In addition, he established new operations in Brazil, Mexico, and Japan.

From 1949 to 1968, Mr. Fiske was employed by General Electric Company in marketing and managerial assignments. Positions he held included Manager, Specialty Equipment Operation and Computer Support Services, Information Systems Equipment Division (Phoenix, Arizona); Director of Marketing, Capacitor Department, Electronic Components Division (Hudson Falls, New York); Marketing Manager, Electronics Specialty Components (Columbia, South Carolina); and Regional Manager, Construction Materials Division (Boston and New York).

Mr. Fiske received a B.A. degree in mathematics from Brown University in 1946. His Postgraduate education includes General Electric Company General Management School and participation in ITT's Advanced Management and Financial Analysis Program. An officer in the U.S. Navy, Mr. Fiske served as a landing force leader during seven invasions in the Pacific during World War II.

He was born in Upton, Massachusetts. Mr. Fiske is married and has three children.

August 1981

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

4. List and describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law or public policy.

None. The Electronics Industries Association (EIA) was involved as an organization in some lobbying activities; however, I had no personal involvement. I will resign as Director of the Telecommunications Section of EIA.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

See page 5a and attachment.

6. Explain how you will comply with conflict of interest laws and regulations applicable to the position for which you have been nominated. Attach a statement from the appropriate agency official indicating what those laws and regulations are and how you will comply with them.

See page 5a and attachment.

POTENTIAL CONFLICTS OF INTEREST: Questions 1, 2, 5 and 6

To comply with the divestiture requirements of section 602(a) of the DOE Organization Act, I will divest my interests in energy concerns prior to assuming office, except (i) my vested pensions in General Electric Company and General Dynamics Corporation for which I have requested a Secretarial waiver for the duration of my DOE service, (ii) my common stock and options on common stock in General Dynamics Corporation for which I have requested time-limited Secretarial waivers, and (iii) my limited partnership interests in Forest Oil, Kenai Oil, and Cam Am I and II for which I have requested time-limited Secretarial waivers. These interests and the requested waivers are more fully described in the attached statement from the Department's designated agency ethics official.

I will comply with the one-year participation restrictions of section 606 of the DOE Organization Act as they apply to my prior employment with General Dynamics, General Electric, and ITT. I will also comply with these provisions in connection with my prior employment by Asbestos Corporation.

Finally, for the full duration of my service with the Department, I will avoid participation in any particular matter the outcome of which could have a direct and predictable effect on General Dynamics or any other entity in which I may have a financial interest within the meaning of section 208, title 18, United States Code. And I will continue to seek and comply with the advice of the Office of the General Counsel of the Department of Energy.

Department of Energy
Washington, D.C. 20585

SEP 03 1981

Mr. Guy W. Fiske
9252 Clayton Road
St. Louis, Missouri 63124

Dear Mr. Fiske:

This is intended to serve as a statement from the designated agency ethics official of this Department, as required by question 6 (page 5) of the Statement for Completion by Presidential Nominees that you will be submitting to the United States Senate Committee on Energy and Natural Resources in connection with your nomination for the position of Under Secretary. This memorandum reflects discussions you and I have had concerning the conflict of interest laws and regulations applicable to that position; it also reflects the guidance I have given you after reviewing your Standard Form 278 (Financial Disclosure Report) dated May 20, 1981, and your Form DOE-460 (Report on Prior Employment) dated June 30, 1981.

As a supervisory employee of the Department, you will be prohibited by section 602(a) of the DOE Organization Act (Pub. L. 95-91) from knowingly receiving compensation from, holding any official relation with, or having any pecuniary interest in any energy concern. The term "energy concern" is defined in section 601(b) of the Act as any entity "significantly engaged in the business" of any of a variety of activities related to energy production, distribution, sale, or research and development, or any entity significantly engaged in such research and development pursuant to a DOE-funded program irrespective of whether it otherwise engages in such business. The term also includes any entity holding an interest in property from which an energy resource is commercially produced or obtained.

You listed in Schedule A of your Standard Form 278 numerous interests in energy concerns. I understand that, to comply with section 602(a) of the Act, you will divest your interests in the following entities prior to assuming office:

General Dynamics (common stock purchased prior to being employed by General Dynamics Corp.)
General Electric (common stock)
I.T.&T.

Mitchell Energy
Anglo Energy
Huthnance Charger I - Drill Rig

In addition, you have advised me that you intend to divest your interests in Asbestos Corporation prior to assumption of office.

You have requested Secretarial waivers of the divestiture requirement, pursuant to section 602(c) of the Act, for the following interests:

1. Vested pensions from General Electric Company and General Dynamics Corporation - for the duration of your service with the Department.

2. General Dynamics common stock (additional to that listed above) - until February 28, 1982.

3. General Dynamics common stock options - for 180 days after assuming office.

4. General Dynamics common stock to be received as deferred compensation in installments through January, 1984 - for 30 days after receipt of each installment.

5. General Dynamics common stock to be received pursuant to the General Dynamics Savings and Stock Investment Plan - for 45 days after receipt.

6. Limited partnership interests in Forest Oil, Kenai Oil, and Cam Am I and II - until January 31, 1982.

I understand that you will retire from General Dynamics and resign from Asbestos Corporation prior to assuming office. With respect to prior employment, sections 606(a) and (b) of the Act state:

(a) For a period of one year after terminating any employment with any energy concern, no supervisory employee shall knowingly participate in any Department proceeding in which his former employer is substantially, directly, or materially involved, other than in a rulemaking proceeding which has a substantial effect on numerous energy concerns.

(b) For a period of one year after commencing service in the Department, no supervisory employee shall knowingly participate in any Department proceeding for which, within the previous five years, he had direct responsibility, or in which he participated substantially or personally, while in the employment of any energy concern.

These provisions will be applicable to your prior employment by General Dynamics, General Electric, and I.T.&T. You have also agreed to comply with these provisions in connection with your prior employment by Asbestos Corporation.

The term "Department proceeding" is defined in section 1010.103(h) of DOE's Conduct of Employees regulations as "any judicial proceeding, Department hearing, application, rulemaking, order, license, contract, grant, award, fund transfer, claim, controversy, charge, accusation, or arrest, in which the Department is directly involved."

Finally, section 208(a), title 18, United States Code, makes it a criminal offense for you to participate personally and substantially, as a Government employee, in any particular matter in which you have (or your spouse, minor child, partner, organization in which you are serving as officer, director, trustee, partner, or employee, or any person or organization with whom you are negotiating or have any arrangement concerning prospective employment has) a financial interest. Accordingly, you should avoid participation in any particular matter the outcome of which could have a direct and predictable effect on any such financial interests.

As a concomitant of the waiver of the divestiture requirements of section 602(a) of the DOE Organization Act for your vested interest in the General Electric pension plan, I plan to recommend that the Secretary waive the restrictions of section 208(a), title 18, United States Code, with respect to that interest. The latter waiver would be made pursuant to section 208(b)(1) on the basis of the Secretary's determination that "the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from" you.

Please let me know if I can be of further assistance.

Sincerely,

Ralph D. Goldenberg

Ralph D. Goldenberg
Assistant General Counsel
for Standards of Conduct

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

See page 6a.

3. Are any assets pledged? (Add schedule.)

Note (Mortgage on personal residence), see SF 278

4. Are you currently a party to any legal action?

No

5. Have you ever declared bankruptcy?

No

6. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

Yes: 1978 return -- paid approximately $2,000.

United States of America
Office of Government Ethics

Office of Personnel Management
Washington, D.C. 20415

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES
RECEIVED
OCT 5 1981
WASHINGTON, D. C. 20510
OCT 5 1981

Honorable James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

We understand that the Department of Energy has already forwarded to you a revised version of the financial disclosure report filed by Guy W. Fiske, who has been nominated by President Reagan to be Under Secretary of the Department of Energy. In addition to Mr. Fiske's intent to request several waivers, as stated in our letter to you of September 4, 1981, Mr. Fiske has now requested a Secretarial waiver of the divestiture requirement of section 602(a) of the Department of Energy Oganization Act for his limited partnership interests in Forest Oil, Kenai Oil, and Can Am I and II until January, 1982.

Mr. Fiske also has requested changes in the terms of two waivers for which he had previously applied. With regard to General Dynamics common stock options, he now asks that the waiver of divestiture requirements be for a term of 180 days after assuming office, instead of 90 days. With regard to General Dynamics common stock to be received pursuant to that company's Savings and Stock Investment Plan, Mr. Fiske now requests that the term be 45 days after receipt, rather than 45 days after assuming office.

Further, Mr. Fiske's Financial Disclosure Report (SF 278) has been amended to include two "positions held" that had been omitted. These are Section Director of the Electronic Industries Association, and Director of the Arthritis Association of Missouri. A copy of the amended page of the SF 278 is enclosed.

These revisions in Mr. Fiske's report to this Office do not alter our original determination that, upon completing the divestitures and securing the waivers, Mr. Fiske will be in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Jackson Walter

J. Jackson Walter
Director

Enclsoure

FINANCIAL DISCLOSURE REPORT

MG 0374

Page 1

Reporting Status (Check Appropriate Box)	NOTE
☐ Incumbent ☒ New Entrant, Nominee, or Candidate ☐ Termination Report	All schedules must be filled. Enter "None" in areas or across schedules where appropriate.

Agency Use Only	OGE Use Only
Date of Filing (Month, Day, Year): JUN 25 1981	

	Last Name	First Name and Middle Initial	Date of Appointment, Candidacy, Election or Nomination (Mo., Day, Yr.)	Termination Date (If Applicable) (Month, Day, Year)
Reporting Individual's Name	FISKE	GUY W.		
Position for Which Filing	Title of Position: UNDERSECRETARY	Department or Agency (If Applicable): ENERGY		
Location of Present Office	Address (Number, Street, City, State and Zip Code): 7733 Forsythe Boulevard Pierre Laclede Building, St. Louis, Missouri 63124		Room Number: Suite 23	Telephone No. (Include Area Code): (314) 862-2440

	Name of Congressional Committee Considering Nomination	Do You Intend to Create a Qualified Diversified Trust?
Presidential Nominees Subject to Senate Confirmation	Senate Energy Committee	☐ Yes ☒ No

	Title of Position(s) and Date(s) Held
Position(s) Held With the Federal Government During the Preceding 12 Months (If Not Same as Above)	NONE

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge.	Guy Wilbur Fiske	20 May 1981

Agency Ethics Official's Opinion	Signature of Designated Agency Ethics Official/Reviewing Official	Date (Month, Day, Year)
The information contained in this report discloses no conflict of interest under applicable laws and regulations.	Rupert D. Greenberg	7/7/81
Office of Government Ethics Use Only	Signature	Date (Month, Day, Year)

Comments of Reviewing Official (If additional space is required, use the reverse side of this sheet)

See 7/7/81 letter to J. Jackson Walter, Director, OGE. RDG

(Check box if comments are continued on the reverse side)

92-775 O—82—9

77

INCOME AND INTERESTS IN PROPERTY

This schedule is applicable in the case of all reporting individuals.

	Yes	No
Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust?		X
If "yes", have you reported the income from the trust?		
If "yes", have you reported the assets of the trust?		
If "yes", is the trust an "excepted" trust?		
or "qualified" trust?		

If there are any interests in property, purchases, sales, or exchanges, or liabilities of a spouse or dependent child which you have not reported but which would be reportable, but for the following:

1. They represent solely your spouse's or dependent child's financial interest or responsibility;
2. They are not, in any way, past or present, derived from your income, assets, or activities;
3. You neither derive, nor expect to derive, any financial or economic benefit from them; and
4. You do not have knowledge as to the composition of such interests or liabilities.

Do you certify to all of the above? (All interests reported) Yes: | No:

Page Number	2	Schedule A

Reporting Individual's Name: Guy W. FISKE

Agency Use Only

Date of Filing (Month, Day, Year): JUN 25 1981

Schedule (S) or Reportable Gift (G)	Identification (1980 thru May 15, 1981)	Income: Type of Income							Income: Category of Amount or Value									Interests in Property: Valuation of Assets						
		Dividends	Rent	Interest	Capital Gains	Exempted Trust	Qualified Trust	Other (Specify)	None (or less than $201)	$201-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount (Only if "Other" Specified)	Date (Mo., Day, Yr.) (Only if Honoraria)	None (or less than $1,001)	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000
	General Dynamics Corp.							Salary									274,195							
	Asbestos Corp., LTD.							Directors Fees									12,706							
	(Possible Rent - 1981) House at Hilton Head Island, S.C.		X						X										H					X
	General Dynamics-Common Stock	X1			X2								X1			X2			H					X
S	General Dynamics-Preferred Stock	X								X									H		X			
	Mass. Capital Development Fund	X								X									H		X			
	Asbestos Corp. - Common	X							X										H	X				
S	Avon - Common	X								X									H	X				
	Black and Decker - Common	X								X									SOLD 1980					
	Excello-Common	X								X									H			X		
	General Signal - Common	X								X									H			X		
	General Electric - Common	X							X										H	X				
	ITT - Common	X									X								H		X			
S	Loehmann - Common	X								X									SOLD 1980					

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NSN 7540-01-070-6010

...ual Disclosure Report, Schedule A

INCOME AND INTERESTS IN PROPERTY

This schedule is applicable in the case of all reporting individuals.

	Yes	No
Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust?		
If "yes", have you reported the income from the trust?		
If "yes", have you reported the assets of the trust?		
If "yes" is this trust an "excepted" trust? ... or "qualified" trust?		

If there are any interests in property, purchases, sales, or exchanges, or liabilities of a spouse or dependent child which you have not reported but which would be reportable, but for the following:

1. They represent solely your spouse's or dependent child's financial interest or responsibility;
2. They are not, in any way, past or present, derived from your income, assets, or activities;
3. You neither derive, nor expect to derive, any financial or economic benefit from them; and
4. You do not have knowledge as to the composition of such interests or liabilities.

Do you certify to all of the above? Yes / No

Page Number 3 — Schedule A

Reporting Individual's Name: Guy W. FISHER

Agency Use Only

Date of Filing (Month, Day, Year): JUN 25 1981

Spouse (S) or Dependent Child (DC)	Identification (1980 + Jan.-May 15, 1981)	Income: Type of Income (✓) Dividends	Rents	Interest	Capital Gains	Exempt Trusts	Dividend Trusts	Other (Specify)	Income: Category of Amount or Value (✓) None (or less than $201)	$201-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount (Only if "Other" Specified)	Date (Mo., Day, Yr.) (Only if Honoraria)	Interests in Property: Valuation of Assets (✓) Valuation Unknown	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000
S	Revlon - Common	X								X									SOLD 1980					
	Stanadyne - Common	X							X										SOLD 1980					
	Alexander & Baldwin - Common	X								X									SOLD 1980					
	Continental Tel. - Common	X								X									SOLD 1980					
	Adams & Russell - Common	X1		X2					X1	X2									SOLD 1980					
	Assoc. Coca-Cola - Common	X							X										SOLD 1980					
	Dorchester Gas - Common	X							X										SOLD 1980					
	Mitchell Energy - Common	X							X										H	X				
	WALBAR - Common	X							X										H		X			
	Pneumo - Common	X1		X2					X1	X2									SOLD 1980					
	Mallinckrodt - Common	X							X										X	H				
	Digital Equipment Common			X						X									SOLD 1980					
	INTEL			X						X									H	X				
	Anglo Energy								X										H		X			

...80 Edition is Obsolete

...79-106

...☆ U.S. GOVERNMENT PRINTING OFFICE (1980 O-334-054: QL3

...NSN 7540-01-070-4016

79

SF 278 - Executive Branch Personnel Public Financial Disclosure Report, Schedule A
(Rev. 7/81)

INCOME AND INTERESTS IN PROPERTY

This schedule is applicable in the case of all reporting individuals.

	Yes	No
Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust?		
If "yes", have you reported the income from the trust?		
If "yes", have you reported the assets of the trust?		
If "yes", is the trust an "excepted" trust? ... or "qualified" trust?		

If there are any interests in property, purchases, sales, or exchanges, or liabilities of a spouse or dependent child which you have not reported but which would be reportable, but for the following:
1. They represent solely your spouse's or dependent child's financial interest or responsibility;
2. They are not, in any way, past or present, derived from your income, assets, or activities;
3. You neither derive, nor expect to derive, any financial or economic benefit from them; and
4. You do not have knowledge as to the composition of such interests or liabilities.

Do you certify to all of the above? Yes ☐ No ☐

Page Number	4	Schedule A

Reporting Individual's Name: Guy W. FISKE

Agency Use Only

Date of Filing (Month, Day, Year): JUN 25 1981

Identification	Income: Type of Income (see)							Income: Category of Amount or Value (see)										Interests in Property: Valuation of Assets (see)						
	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify)	None (or less than $1,001)	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	Over $100,000	Actual Amount (Only if "Other" Specified)	Date (Mo., Day, Yr.) (Only if Honoraria)	Value Method	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	Over $250,000
First National Bank of Clayton, Missouri			X						X								H		X				
U.S. Bonds			X							X							SOLD	1980					
Computervision				X							X						SOLD	1980					
T-BAR				X					X								SOLD	1980					
APPLICON				X					X								SOLD	1980					
Forest Oil							Limited Partnership								971.00		July 1980 C			X			
Kenai Oil							"	X									July 1980 C			X			
Canam I and II							"								500.00		July 1980 C			X			
Huthnance Charger I - Drill Rig							"	X									March 30, 1981 C				X		
General Dynamics Stock Options							Options yet to be exercised	X									H						X
General Dynamics - Deferred Bonus Payments (Stock)							Deferred Income	X									H					X	
Kroger Store (Limited Partnership) Terra Haute, Indiana								X									A				X		
Cattle Investment Cattle Feeding Operation/Texas								X									A				X		

80 Edition is obsolete

278-109

☆ U.S. GOVERNMENT PRINTING OFFICE: 1980 O—330-884 / QL 3

NSN 7540-01-EPB-8010

80

SF 278 - Financial Disclosure Report, Schedule A
(Rev. 4-80)

INCOME AND INTERESTS IN PROPERTY

	Yes	No
Do you, your spouse or dependent child receive income from, or have a beneficial interest in a trust?		
If "yes", have you reported the income from the trust?		
If "yes", have you reported the assets of the trust?		
If "yes", is this trust an "excepted" trust? ... or "qualified" trust?		

	Yes	No
Are there any interests in property or liabilities of a spouse or dependent child which you have not reported but which would be reportable, if held by you?		
If "yes", do you certify to the following? (They represent solely your spouse's or dependent child's financial interest or responsibility)		
2. They are not, in any way, past or present, derived from your income, assets, or activities;		
3. You neither derive, nor expect to derive, any financial or economic benefit from them; and		
4. You do not have knowledge as to the composition of such interests or liabilities?		

Page Number 4a | Schedule A

Reporting Individual's Name: Guy W. Fiske

Agency Use Only

Date of Filing (Month, Day, Year): Added 7/7/81

Identification (Spouse's (S) or Dependent Child's (DC))	Income: Type of Income (x)								Income: Category of Amount or Value (x)									Interests in Property: Valuation of Assets (x)							
	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify)	None (or less than $1,001)	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000	Actual Amount (Only if "Other" Specified)	Date (Mo., Day, Yr.) (Only if Honoraria)	Value Not Known	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000
General Electric Vested Pension								x										Present value not known							
General Dynamics Vested Pension								x										Present value not known							
General Dynamics Savings & Stock Investment Plan								x										H			x				

81

278-10a

278—Financial Disclosure Report
Rev 4/81

PURCHASES, SALES, AND EXCHANGES

Page Number	5	Schedule B

Reporting Individual's Name: Guy W. FISKE

Agency Use Only

Date of Filing (Month, Day, Year): JUN 25 1981

Report Applicable Transactions, Even If Also Reported on Schedule A.

S or DG	Identification of Property	Type of Transaction: Purchase	Sale	Exchange	Date (Month, Day, Year): Purchase	Sale or Exchange	Category of Amount or Value: $1,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
	N/A - NOMINEE										

82

SF 278—Financial Disclosure Report
(Rev. 6/80)

GIFTS AND REIMBURSEMENTS

Page Number	6	Schedule C
Reporting Individual's Name: Guy W. FISKE		
Agency Use Only		
Date of Filing (Month, Day, Year): JUN 25 1981		

I. Lodging, Transportation, Food and Entertainment—*List each source totaling $250 or more in value*

S or DC	Source (Name and Address)	Brief Description	Approximate Value, If Known
	N/A		

II—All Other Gifts—*List each source totaling $100 or more in value*

S or DC	Source (Name and Address)	Brief Description	Value
	N/A		

III. Reimbursements—*List each source totaling $250 or more in value*

S or DC	Source (Name and Address)	Brief Description	Approximate Value, If Known
	N/A - NOMINEE		

SF 278 - Financial Disclosure Report
(Rev. 8-80)

Reporting Individual's Name: Guy W. FISKE

Agency Use Only — Date of Filing (Month, Day, Year): JUN 25 1981

Page Number: 7

Sch. Item: D

LIABILITIES

$ or DK	Name and Address of Creditor	Type of Liability (e.g., promissory note, margin account) Give date, interest rate and, if applicable, term	Category of Amount or Value: $10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
	First National Bank of Clayton 7733 Forsythe Boulevard Pierre Laclede Building St. Louis, Missouri 63105	Note, March 1981 (Secured by Mortgage - Personal Residence); Prime, 9 months.				X	

POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
General Dynamics Corp., 7733 Forsythe Boulevard St. Louis, Missouri 63105	Industrial Firm and Defense Contractor	Executive Vice President	March 1977	Present
Asbestos Corporation, LTD. (General Dynamics) (owned 54.6% by	Mining Company	Chairman	March 1977	Present
ELECTRONICS INDUSTRIES ASS'N.	TELECOMMUNICATIONS	SECTION DIRECTOR	NOV. 1980	PRESENT
ARTHRITIS ASSOC. OF MISSOURI	CHARITABLE	DIRECTOR	MAR. 1979	JULY 1981

COMPENSATION IN EXCESS OF $5,000 PAID BY ONE SOURCE

Source (Name and Address)	Brief Description of Duties
GENERAL DYNAMICS CORP. + ASBESTOS CORP. AS SHOWN IN ~~NONE~~ ~~SAME AS~~ "POSITIONS HELD."	

RELATIONS WITH OTHER EMPLOYERS

Description of Terms of Any Agreement or Arrangement	Parties	Date (Mo., Day, Yr.)
Deferred Compensation from Earned Bonus Program	General Dynamics Corp.) Corporate Secretary	Immediately Following
Pension and Savings and ~~Security~~ Stock Investment Plan (Combined Form)	General Dynamics Corp.) J. Maguire	Appointment
Pension	General Electric Company	Not yet applied for, not available until age 60.

FINANCIAL STATEMENT - RESPONSE TO QUESTION 2, PAGE 6:

Source	Category of Amount	Date
General Dynamics Savings and Stock Investment Plan	$50,000 - $100,000 total	within 45 days of assuming office
General Dynamics Stock Option Plan	Over $100,000 total	within 180 days of assuming office
General Dynamics Incentive Compensation Plan	Over $100,000 total	Four installments: - retirement - 1/82 - 1/83 - 1/84
General Electric Vested Pension	$2,501 - $5,000 yearly	commencing at age 60
General Dynamics Vested Pension	$5,001 - $15,000 yearly	no fixed date for commencement

AFFIDAVIT

State of Virginia) ss

Guy W. Fiske , being duly sworn, hereby states that he/~~she~~ has read and signed the foregoing Statement for Completion by Presidential Nominees including the Financial Statement and that the information provided therein is, to the best of his/~~her~~ knowledge and belief, current, accurate, and complete.

Guy W. Fiske

Subscribe and sworn before me this 21 day of August, 1981

Anne B Rector
Notary Public

My commission expires Jan 23, 1984
Notary for State of Virginia
city of Alexandria

September 14, 1981

The Honorable James A. McClure
Chairman
Committee on Energy and Natural Resources
U.S. Senate
Washington. D.C. 20510

Mr. Chairman:

On August 21, 1981, I submitted my completed Committee informational statement for Presidential nominees. In my response to question 4, page 6, I indicated that I was not a party to any lawsuits, which at that time was correct. However, on September 10, 1981, I was advised by Mr. E. E. Lynn, General Counsel for General Dynamics, that Stromberg-Carlson Corporation, a wholly-owned subsidiary of General Dynamics, and I as a named defendant, have been sued by a recently terminated employee. The case, Muller v. Stromberg-Carlson Corporation and Guy W. Fiske, was filed on August 25 in the 13th Judicial Circuit, Hillsborough County, Florida.

As Executive Vice President for General Dynamics, Stromberg-Carlson was one of several subsidiaries under my general management authority. The suit involves allegations of inappropriate personnel and management actions which I have been advised are without merit by Mr. Lynn.

I would be pleased to discuss this matter privately with Members of the Committee at their convenience.

Sincerely,

Guy W. Fiske

GWF/mss

WILLIAM A. VAUGHAN

William A. Vaughan is Assistant Secretary for Environmental Protection, Safety and Emergency Preparedness, designate, U.S. Department of Energy (DOE). In this position, Mr. Vaughan would be responsible for ensuring that the Department's programs are in accord with national environmental, health, and safety regulations. In addition, he would direct DOE's energy emergency and contingency planning efforts and would have responsibility for the Naval Petroleum Reserves, the Oil Shale Reserves, and the Strategic Petroleum Reserve.

Mr. Vaughan has been Director, Energy Management, Manufacturing Staff, for General Motors Corporation (GM), since 1976. From 1971 until 1976, he was Attorney-in-Charge, Environmental and Energy Law Section. Mr. Vaughan joined GM's Legal Staff as an attorney in 1970. During his tenure with GM, he taught courses in environmental law and energy law at the University of Detroit.

From 1960 to 1970, Mr. Vaughan was on the faculty of Virginia Military Institute (VMI), initially as an instructor and then as an Assistant Professor of Civil Engineering. During the period 1964 to 1967, he served as Deputy Commandant of Cadets at VMI. He currently holds the rank of LieutenantColonel in the U.S. Army Reserve , having served on active duty from 1957 to 1960.

Mr. Vaughan received a B.S. degree in civil engineering with honors from VMI in 1957, an M.S. degree in civil engineering from Purdue University in 1964, and a J.D. degree, magna cum laude, from Washington & Lee University Law School in 1970. He was Editor-in-Chief of the Washington & Lee Law Review and a member of the Order of the Coif.

He is a Registered Professional Engineer in Virginia and is a member of the Engineering Society of Detroit and American and Michigan Bar Associations. He was named "Man-of-the-Year" by Modern Industrial Energy magazine in May 1980.

Mr. Vaughan was born in Richmond, Virginia. He is married and has three children.

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: VAUGHAN (LAST) WILLIAM (FIRST) ADDISON (OTHER)

Position to which nominated: Assistant Secretary of Energy for Environmental Protection, Safety & Emergency Preparedness

Date of nomination: July 15, 1981

Date of birth: 19 (DAY) April (MONTH) 1935 (YEAR) Place of birth: Richmond, Virginia

Marital status: Married Full name of spouse: Lind Groseclose Vaughan

Name and ages of children: William Addison Vaughan, Jr. - Age 19
Mary Hawthorne Vaughan - Age 16
Sara Cox Vaughan - Age 15

Education:

Institution	Dates attended	Degrees received	Dates of degrees
School of Law, Washington & Lee University-Lexington	Sept. 1965 - June, 1970	Juris Doctor	1970
Purdue University Lafayette, Indiana	Summer, 1961 9/63 - 6/64	Master of Science Civil Engineering	1964
Virginia Military Institute - Lexington, VA	Sept. 1953 - June, 1957	Bachelor of Science	1957
E.C. Glass High School Lunchburg, VA	Sept. 1949 - June, 1953	Diploma	1953
(Military Education: See Military Service)			

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates. (Active Military Service, Jun. '57-Aug.'60: See Military Service)

1. Virginia Military Institute - Lexington, VA
   a. Sep. '60 - Sep. '63 - Instructor of Civil Engineering
   b. Sep. '63 - Sep. '64 - Leave of Absence
   c. Sep. '64 - Jun '70 - Assistant Professor of Civil Engineering
   d. Sep. '64 - Jun '67 - Deputy Commandant of Cadets

2. General Motors Corporation - Detroit, MI
   a. 1970-1971 -Attorney, Legal Staff, responsible for environmental and energy matters
   b. 1971-76 - Attorney in Charge, Environmental & Energy Law Section, Legal Staff
   c. 1976 - Present - Director, Energy Management, Manufacturing Staff, responsible for formulating, recommending & implementing Corporate energy policies & positions as well as for operation of the Energy Supply Division.

Employment record—Continued

3. University of Detroit, School of Law—Adjunct Professor
   a. 1977, 1978 - Environmental Law
   b. 1980 - - Energy Law

Military service: Enter all military service if not included above: service, dates, rank, type of discharge.

SEE ATTACHED SHEET

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

1. Scholarships & Fellowships:
   a. Summer '61 - Portland Cement Assoc.-Purdue University - Highway Engineering & Concrete Technology
   b. Summer '62 - National Science Foundation-Oklahoma State Univ. - Structural Engineering
   c. Summer '63 - Department of Defense - Univ. California at Berkley - Protective Construction - Radiation Shielding & Structural Engineering for Dynamic Loads
   d. Summer '66 - Eno Foundation - Yale Univ. - Traffic Engineering

SEE CONTINUATION ON SHEET ATTACHED

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
American Bar Association		1970 - Present
State Bar of Michigan		1971 - Present
Engrg. Soc. of Detroit		1976 - Present
American Society of Civil Engineers		1954 - 1974
Institute of Traffic Engineers		1964 - 1974
Society of American Military Engineers		1963 - 1974
Hill City Lodge, AF & AM #183		1957 - Present
Lynchburg Royal Arch Chapter #10		1957 - Present
Demolay Commandery #4		1957 - Present
Shrine-Kazim Temple		1961 - Present
Kappa Alpha Order		1957 - Present
Delta Theta Phi		1967 - Present

SEE CONTINUATION ON SHEET ATTACHED

ATTACHMENT
W. A. VAUGHAN

MILITARY SERVICE, Page 2:

June, '57 - Aug. '60 - Active Duty - Regular Army - Resigned as 1st Lt. - Honorable Discharge

a. June-Dec. '57 - 2nd Lt. - Student Officer - USA Infantry School, Ft. Benning, GA

b. Jan.-Dec. '58 - 2nd Lt. - Rifle Platoon Leader - 1st Battle Group, 13th Infantry - Mannheim, W. Germany

c. Jan.-Dec. '59 - 1st Lt. - Rifle Platoon Leader - 1st Battle Group, 18th Infantry - Mannheim, W. Germany

d. Jan.-May '60 - 1st Lt. - Student Officer - U.S.A. Intelligence School - Ft. Holabird, MD

e. May-Aug. '60 - Special Agent - Counterintelligence Corps. - Region I, 113 CIC Group, Chicago, ILL

Aug. '60 - Present - USAR - Lt. Col. - Current Assignment

Mobilization Designee - General Staff - Operations, specifically Team Chief for Civil Affairs Mobilization - US Army Center for Military Assistance, Fort Bragg, NC

MILITARY -- Education

Name of School	Location	From	To	Course
Industrial College of Armed Forces	Ft. McNair, Washington, D.C.	* 1968	1971	Nat'l. Security Mgmt. Course
USA Command & General Staff College	Ft. Leavenworth, Kansas	* 1964	1967	Gen. Staff Off. Course
USA Infantry School	Ft. Benning, GA	* 1961	1964	Advance Inf. Off. Course
USA Intelligence School	Ft. Holabird, Baltimore, MD	Jan. 1961	May 1961	Intell. Off. Research Course
USA Infantry School	Ft. Benning, GA	June 1957	Dec. 1957	Basic Inf. Off. Course

* Intermittent, as part of reserve duty

ATTACHMENT
W.A. VAUGHAN

Honors and awards - Continued from Page 2:

2. Military Medals:
   a. Armed Forces Reserve Medal
   b. Army Reserve Component Achievement Medal with Device
   c. National Defense Service Medal

3. Honorary Society Memberships:
   a. Order of Coif - Washington & Lee University - 1970
   b. Omicron Delta Kappa - Washington & Lee University - 1970

4. Other Special Recognitions:
   a. Academically Distinguished Graduate and Distinguished Military Graduate, Virginia Military Institute - 1957
   b. General Pershing Award (Honor Graduate), U.S. Army Command and General Staff College - 1967
   c. Editor-in-Chief, Washington & Lee Law Review - 1969-70
   d. Graduated "Magna cum laude", School of Law, Washington & Lee University - 1970
   e. Man-of-the-Year - Modern Industrial Energy Magazine - 1980

Memberships - Continued from Page 2:

* Process Gas Consumers Group	Member, Steering Committee	1978-Present
	GM Representative	1978-Present
* Electricity Consumers Resource Council	Member, Legal Committee	1975-Present
	GM Representative	1981-Present
* National Association Of Manufacturers of the United States	Member, Steering Group, Energy Committee	1977-Present
	Chairman, Coal Conversion Task Force	1978-Present
** American National Standards Institute	Member, Energy Council	1978-Present
** Michigan Governor's Energy Awareness Advisory Committee		1977-Present
** Special Committee on Synthetic Fuels, US National Committee, World Energy Conference		1980-Present

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* My memberships in these organizations are in connection with my official responsibilities as an employee of General Motors Corporation, and will terminate automatically upon my departure from GM. However, in order to avoid any possible confusion, I have written letters of resignation, copies of which are attached to this Attachment.

** My memberships in these organizations occurred in connection with my official responsibilities as an employee of GM. In order to avoid even the appearance of a conflict I have or will resign from these organizations.

Published writings: List the titles, publishers and dates of any books, articles, or reports you have written.

-- "The Use of Inorganic Exchange Materials for Radioactive Waste Treatment," TID-7664, U.S. Atomic Energy Commission, January 1963 (with Jamison, D.K., Kornegay, B. H., and Morgan, J. M., Jr.)

-- "Transport of Radionuclides in Fresh Water Systems," TID-7664, U.S. Atomic Energy Commission, July 1963 (with Jamison, D.K., Kornegay, B. H., and Morgan, J. M., Jr.)

-- "The U.S. Army Radioactive Waste Disposal Program in the Continental United States," NDL-TR-78, FOR OFFICIAL USE ONLY, U.S. Army Nuclear Defense Laboratory and VMI Research Laboratories, October 1966 (with Dobyns, S.W., Gillespie, S.S., Knapp, J.W., and Morgan, J.M., Jr.)

-- "Effect of Lease Term Upon Rate of Depreciation in Trade Fixture Condemnation Awards," 26 Wash. & Lee L. Rev. 77 (1969)

-- "The Virginia Habitual Offender Act," 26 Wash. & Lee L. Review 271 (1969) (with Schiff, E. F.)

-- Editor-in-Chief, Volume XXVII - No. 1, Washington & Lee Law Review (1970)

92-775 O—82——7

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

Yes. (See attached memoranda/correspondence)

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization.

I have no such plans

3. Has anybody made you a commitment to a job after you leave government?

No

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

Not applicable

(b) If you have been appointed for an indefinite term, do you have any known limitations on your willingness or ability to serve for the foreseeable future?

None

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

I have a vested interest in the GM Retirement Plan arising from almost 11 years of service (See SF 278, Schedule A, Page 2a).

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None

Attachment
William A. Vaughan

Qualifications, Page 4:

I received a B.S. degree in civil engineering with honors from VMI in 1957, an M.S. degree in civil engineering from Purdue University in 1964, and a J.D. degree, magna cum laude, from Washington & Lee University Law School in 1970. I was Editor-in-Chief of the Washington & Lee Law Review and a member of the Order of the Coif.

From 1960 to 1970, I was on the faculty of Virginia Military Institute (VMI), initially as an instructor and then as an Assistant Professor of Civil Engineering. During the period 1964 to 1967, I served as Deputy Commandant of Cadets at VMI. I currently hold the rank of Lieutenant Colonel in the U.S. Army Reserve , having served on active duty from 1957 to 1960.

Since 1976, I have been Director, Energy Management, Manufacturing Staff, for General Motors Corporation (GM). From 1971 until 1976, I was Attorney-in-Charge, Environmental and Energy Law Section. I joined GM's Legal Staff as an attorney in 1970. During my tenure with GM, I have taught courses in environmental law and energy law at the University of Detroit.

I am a Registered Professional Engineer in Virginia and a member of the Engineering Society of Detroit and American and Michigan Bar Associations. I was named "Man-of-the-Year" by Modern Industrial Energy magazine in May 1980.

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

See answer to Question 4 below.

4. List and describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law or public policy.

SEE ATTACHED SHEET

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

See answer to Question 6 below.

6. Explain how you will comply with conflict of interest laws and regulations applicable to the position for which you have been nominated. Attach a statement from the appropriate agency official indicating what those laws and regulations are and how you will comply with them.

I have already sought and received advice from the DOE Office of General Counsel, including the attached letter of July 17, 1981 from Mr. Goldenberg, Asst. Gen. Counsel, DOE, for Standards of Conduct. In the event that further questions arise in the future, I will seek and abide by the advice and guidance of the appropriate persons in the DOE Office of General Counsel.

SEE CONTINUATION ON ATTACHED SHEET.

ATTACHMENT
W.A. VAUGHAN

Potential Conflicts of Interest, Page 5, Question 4:

During the past 10 years, solely in my capacity as a member of the GM legal staff, and as a Director of the GM Energy Management Section, I have frequently participated in the submission of oral and written views to the Federal, State and Local governments on a wide range of energy and environmental issues, including utility rates, energy prices, allocation methods, curtailment plans, utility financing, and environmental protection. Almost all of these materials, as matters of public record, have been available to members of other GM staffs, including the GM Industry-Government Relations Staff, as well as to other interested persons outside of GM. As such, it is not unlikely that these materials have frequently been distributed by persons other than myself to Members of Congress and their staffs, as well as to other Federal, State and Local officials.

To the best of my recollection, I have testified before Congress only once, on April 23, 1981, before the Subcommittee on Energy Regulation of the Senate Committee on Energy and Natural Resources. That testimony was presented on behalf of NAM in my capacity as Chairman of the Coal Conversion Task Force, and concerned the Powerplant and Industrial Fuel Use Act of 1978.

In the course of performing my duties at GM over the past 10 years I have participated almost daily in the formulation of various GM energy and environmental policies which may have led to lobbying activity by other persons at GM as well as by other persons outside of GM, on the issues listed in response to Question 3 above. I have also participated in developing energy policies for the Process Gas Consumers Group, the Electricity Consumers Resource Council, NAM, the Chamber of Commerce of the United States, and the Business Roundtable, which may have led to lobbying activities by other persons. In addition, I have personally met on a number of occasions with various Members of Congress and their Staff personnel to discuss the energy and environmental interests, policies and positions of GM and the industrial and business groups listed above.

ATTACHMENT
W.A. VAUGHAN

Potential Conflicts of Interest, Page 5, Question 6:

I will not personally and substantially participate, as Assistant Secretary of Energy for Environmental Protection, Safety and Emergency Preparedness, in any particular matter the outcome of which could have a direct and predictable effect on General Motors Corporation or any financial interest which I may have in General Motors Corporation, unless it is determined by the appropriate officials at the Department of Energy that the financial interest in the particular matter is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect of me.

Department of Energy
Washington, D.C. 20585

JUL 17 1981

Mr. William A. Vaughan
273 McMillan Road
Grosse Pointe Farm, MI 48236

Dear Mr. Vaughan:

This is intended to serve as a statement from the designated agency ethics official of this Department, as required by question 6 (page 5) of the Statement for Completion by Presidential Nominees that you are submitting to the United States Senate Committee on Energy and Natural Resources in connection with your nomination for the position of Assistant Secretary for Environmental Protection, Safety and Emergency Preparedness. I have reviewed your Standard Form 278 (Financial Disclosure Report) dated May 28, 1981, and your Form DOE-460 dated June 17, 1981, and have certified that the information contained therein discloses no conflict of interest under applicable laws and regulations.

As a supervisory employee of the Department, you are prohibited by section 602(a) of the DOE Organization Act (Pub. L. 95-91) from knowingly receiving compensation from, holding any official relation with, or having any pecuniary interest in any energy concern. The term "energy concern" is defined in section 601(b) of the Act as any entity "significantly engaged in the business" of any of a variety of activities related to energy production, distribution, sale, or research and development, or any entity significantly engaged in such research and development pursuant to a DOE-funded program irrespective of whether it otherwise engages in such business. The term also includes any entity holding an interest in property from which an energy resource is commercially produced or obtained.

Further, section 208, title 18, United States Code, makes it a criminal offense for you to participate personally and substantially, as a Government employee, in any particular matter in which you have, or your spouse, minor child, partner, organization in which you are serving as officer, director, trustee, partner, or employee, or any person or organization with whom you are negotiating or have any arrangement concerning prospective employment has, a fi-

nancial interest. Accordingly, you should avoid participation in any particular matter the outcome of which could have a direct and predictable effect on any financial interests that you may have.

Please let me know if I can be of further assistance.

Sincerely,

Ralph D. Goldenberg
Assistant General Counsel
for Standards of Conduct

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

SEE ATTACHED SHEET.

3. Are any assets pledged? (Add schedule.)

None other than conventional mortgage on personal residence.

4. Are you currently a party to any legal action?

No

5. Have you ever declared bankruptcy?

No

6. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

No

United States of America
Office of Government Ethics

Office of Personnel Management
Washington, D.C. 20415

JUL 17 1981

Honorable James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by William A. Vaughan, who has been nominated by President Reagan for the position of Assistant Secretary of Energy for Environmental Protection, Safety and Emergency Preparedness.

We have reviewed the report and have also obtained advice from the Department of Energy concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. Based thereon, we believe that Mr. Vaughan is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

J. Jackson Walter
Director

Enclosure

(1)

FINANCIAL DISCLOSURE REPORT

(Please Check Appropriate Box)

☐ Nominee — ☒ New Entrant, Nominee or Candidate — ☐ Termination Report

NOTE: All Columns Must Be Completed. Enter "None" in Areas Not Applicable.

Agency Use Only

Date of Filing (Month, Day, Year): JUN 12 1981

	Last Name	First Name and Middle Initial	Date of Appointment, Candidacy Election or Nomination (Mo., Da., Yr.)	Report Status (Month, Day, Year)
Reporting Individual's Name	VAUGHAN	WILLIAM A.		
Position for Which Filing	Title of Position: ASSISTANT SECRETARY OF ENERGY FOR ENVIRONMENTAL PROTECTION, SAFETY & EMERGENCY PREPAREDNESS	Department or Agency (If Applicable): DEPARTMENT OF ENERGY		
Location of Present Office	Address (Number, Street, City, State and Zip Code): ENERGY MANAGEMENT SECTION, GENERAL MOTORS CORPORATION ARGO A-250, 485 W. MILWAUKEE AVE., DETROIT, MI 48202		Room Number	Telephone No.: (313) 556-4333

Presidential Nominees Subject to Senate Confirmation

Name of Congressional Committee Considering Nomination: SENATE ENERGY & NATURAL RESOURCES COMMITTEE

Do You Intend to Create a Qualified Blind Trust? ☐ Yes ☒ No

Positions Held With the Federal Government During the Preceding 12 Months (If Not Same as Above)

Title of Position(s) and Date(s) Held: NONE OTHER THAN LTC USAR AS MOBDES OFFICER ASSIGNED TO USAJFKCENMA-RC, FORT BRAGG, N.C.

Certification

I certify that the statements I have made on this form and all attached schedules are complete and correct to the best of my knowledge and belief.

Signature of Reporting Individual: William A. Vaughan

Date (Month, Day, Year): MAY 28, 1981

Agency Ethics Official's Opinion

On the basis of information contained in this report, I conclude that there is no conflict of interest under applicable laws and regulations.

Signature of Designated Agency Ethics Official Reviewing Official: Roger D. Goldberg

Date (Month, Day, Year): 7/1/81

Office of Government Ethics Use Only

Signature:

Date (Month, Day, Year):

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)

Mr. Vaughan will resign from the positions listed in the "Positions Held" section of Schedule D upon his assumption of office in the Department.

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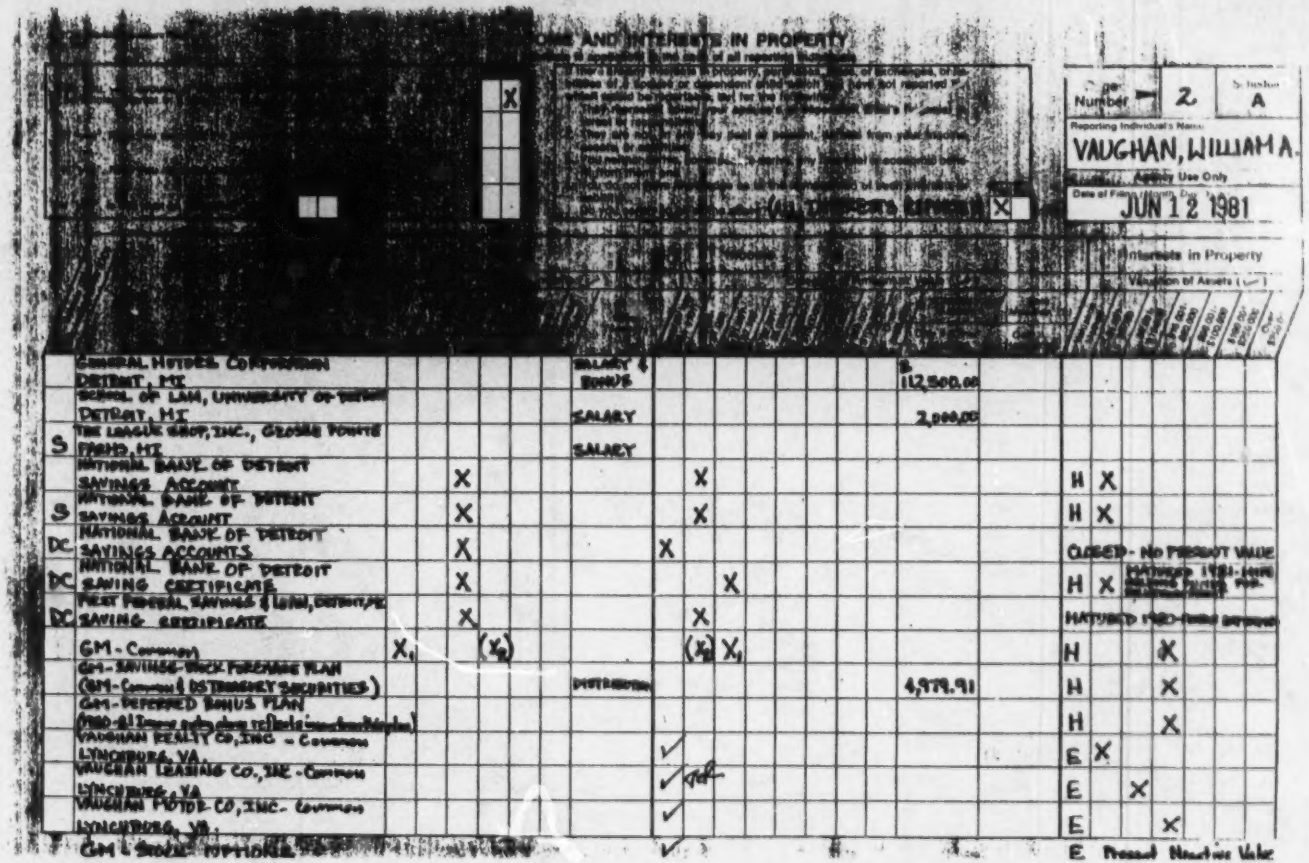


...ME AND INTEREST IN PROPERTY

Page Number 2 | Schedule A

Reporting Individual's Name: VAUGHAN, WILLIAM A.

Agency Use Only

Date of Filing (Month, Day, Year): JUN 12 1981

Interests in Property

Valuation of Assets (see ...)

| | | |

SF 278—Financial Disclosure Report, Schedule A
(Rev. 4-80)

INCOME AND INTERESTS IN PROPERTY

Are there any liabilities in property or liabilities of spouses or dependent children which you have not reported but which would be reportable if held by you?
If "yes", do you identify to the following?
1. They represent solely your spouse's or dependent child's financial interest or responsibility.
2. They are not, to any extent, held or incurred for the benefit from your business, trade, or activities.
3. You neither derive, nor expect to derive, any dividends or economic benefit from them.
4. You do not have knowledge as to the information in each preceding question.

Yes	No

Page Number	2a	Schedule A

Reporting Individual's Name
Vaughan, William A.

Agency Use Only

Date of Filing (Month, Day, Year)
Added 7/1/81 by TER

| Income | | |

CHASES, SALES, AND EXCHANGES

Page Number 3 B

Reporting Individual's Name: VAUGHAN, WILLIAM A.

Agency Use Only

Date of Filing (Month, Day, Year): JUN 12 1981

	Type of Transaction	Date (Month, Day, Year)	Category of Amount or Value
NOT APPLICABLE- NOMINEE			

GIFTS AND REIMBURSEMENTS

This schedule is applicable only in the case of annual and termination reports.

Page Number 4

Reporting Individual: VAUGHAN, WILLIAM A.

Agency Use Only

Date of Filing: JUN 12 1981

I—Lodging, Transportation, Food and Entertainment—List each source totaling $250 or more in value

Type		Value
	NOT APPLICABLE - NOMINEE	

II—All Other Gifts—List each source totaling $100 or more in value

Type		Value
	NOT APPLICABLE - NOMINEE	

III—Reimbursements—List each source totaling $250 or more in value

Type		Value
	NOT APPLICABLE - NOMINEE	

This schedule, except as noted for the third section, is applicable to the case of all reporting individuals.

Reporting Individual's Name: VAUGHAN, WILLIAM A.

Agency Use Only — Date Received: JUN 12 1981

Page 5

LIABILITIES

Dc.	Name and Address of Creditor	Amount of Liability (at beginning and end of reporting year) Give date, interest rate and, if applicable, term	$15,000	$15,000 to $50,000	$50,000
	NONE				

POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
GENERAL MOTORS CORPORATION, 3044 W. GRAND BLVD, DETROIT, MI 48202.	BUSINESS ENTERPRISE	DIRECTOR, ENERGY MANAGEMENT	JULY, 1976	Present
SCHOOL OF LAW, UNIVERSITY OF DETROIT, 651 E. JEFFERSON AVE, DETROIT, MI 48226	EDUCATIONAL INSTITUTION	ADJUNCT PROFESSOR OF LAW	SEPTEMBER, 1976	Present
PROCESS GAS CONSUMERS GROUP, SUITE 800, 1126 F ST., N.W., WASHINGTON, DC 20004	NOT FOR PROFIT BUSINESS/ TRADE ASSOCIATION	1) MEMBER - STEERING COMMITTEE 2) REPRESENTATIVE - GM	APRIL, 1978	Present
ELECTRICITY CONSUMERS RESOURCE COUNCIL, SUITE 314, 1225 CONNECTICUT AVE., N.W., WASHINGTON, DC 20036	NOT FOR PROFIT BUSINESS/ TRADE ASSOCIATION	1) MEMBER - LEGAL COMMITTEE 2) REPRESENTATIVE - GM	1) 1975 2) FEBRUARY, 1981	1) Present 2) Present

COMPENSATION IN EXCESS OF $5,000 PAID BY ONE SOURCE This section is applicable only in the case of nominees and new entrants.

Source (Name and Address)	Brief Description of Duties
GENERAL MOTORS CORPORATION, 3044 W. GRAND BLVD, DETROIT, MI 48202.	1) FORMULATE, RECOMMEND & IMPLEMENT CORPORATE ENERGY POLICIES & PROGRAMS 2) MANAGE ENERGY MANAGEMENT SECTION & ENERGY SUPPLY DIVISION

INTERESTS IN OTHER ENTITIES

Description of Interest (Any agreement or Arrangement)	Parties	
VESTED INTEREST IN GM SUPPLEMENTAL RETIREMENT PLAN - FULLY FUNDED & MANAGED BY AETNA LIFE INS. CO., METROPOLITAN LIFE INS. CO. & THE PRUDENTIAL INS. CO. OF AMERICA	NO INCOME - NO CONTRIBUTIONS DURING GOVERNMENT SERVICE	VESTED JULY 20, 1980

SF 278 - Financial Disclosure Report (Rev. 1/80)

This schedule, except as noted for the third section, is applicable in the case of all reporting individuals.

Reporting Individual's Name	Agency Use Only	Page Number	Schedule
VAUGHAN, WILLIAM A.	Date of Filing (Month, Day, Year) JUN 12 1981	6	D

LIABILITIES

S or DC	Name and Address of Creditor	Type of Liability (e.g., promissory note, margin account) Give date, interest rate and, if applicable, term	Category of Amount or Value $10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000
	NONE				

POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	
NATIONAL ASSOCIATION OF MANUFACTURERS, 1776 F ST., NW. WASHINGTON, DC. 20006	NOT FOR-PROFIT BUSINESS/ TRADE ASSOCIATION	1) MEMBER STEERING GROUP, ENERGY COMMITTEE 2) CHAIRMAN, COAL CONVERSION TASK FORCE	1) JULY, 1977 2) NOVEMBER, 1978	1) Present 2) Present

COMPENSATION IN EXCESS OF $5,000 PAID BY ONE SOURCE

This section is applicable only in the case of nominees and new entrants.

Source (Name and Address)	Brief Description of Duties
SEE PAGE 5	

RELATIONS WITH OTHER EMPLOYERS

Description of Terms of Any Agreement or Arrangement	Parties
SEE PAGE 5	

ATTACHMENT
W.A. VAUGHAN

Financial Statement, Page 6, Question 2:

1. GM-Savings-Stock Purchase Plan:

Withdrawal of entire interest upon confirmation; final settlement expected 4 to 8 weeks later; payment in cash and shares of GM common stock; amount estimated $15,000 to $50,000.

2. GM-Deferred Bonus Plan:

Payment of entire interest expected upon confirmation; final settlement expected 4 to 8 weeks later; payment in cash and shares of GM common stock; amount estimated $15,000 to $50,000.

3. GM Retirement Plan:

Vested interest based upon almost 11 years of service; payment in monthly installments beginning at age 65; present value of interest not known.

AFFIDAVIT

DISTRICT OF COLUMBIA) ss

WILLIAM A. VAUGHAN , being duly sworn, hereby states that he/~~she~~ has read and signed the foregoing Statement for Completion by Presidential Nominees including the Financial Statement and that the information provided therein is, to the best of his/~~her~~ knowledge and belief, current, accurate, and complete.

William A. Vaughan

Subscribed and sworn before me this 21st day of July , 19 81

Sarah P. Linderman
Notary Public

SARAH P. LINDERMAN, NOTARY PUBLIC
DISTRICT OF COLUMBIA
My Commission Expires October 31, 1984

U.S. GOVERNMENT PRINTING OFFICE

RAYBURN HANZLIK

Rayburn Hanzlik is Administrator of the Economic Regulatory Administration, designate. In this position, he would be responsible for the enforcement and administration of the Department's programs concerning petroleum pricing and allocation, oil imports and exports, the utilities, and fuel conversion.

Mr. Hanzlik is an attorney, broadly experienced in Government as well as private law practice. He has served as legal adviser for an Alaskan oil refinery project (1977-80) and counsel to the Japanese Government on U.S. nuclear energy policy (1977-78). Positions which he has held include self-employed attorney and counsel to the law firm of Darling, Rae, and Gute, Los Angeles (1979-80); attorney with Akin, Gump, Hauer and Feld, Washington, D.C. and Dallas, Texas (1978-79); counsel to Danzansky, Dickey, Tydings, Quint and Gordon, Washington, D.C. (1977-78); Associate Director for Intergovernmental Relations, White House Domestic Council (1976-77); Staff Director, Public Forums on Domestic Policy, Office of the Vice President (1975-76); partner, Robert Finch and Associates, Los Angeles and Washington, D.C. (1974 -75); junior partner, E. Del Smith and Company, Washington, D.C. (1973-74); Staff Assistant to the President (1973); Executive Assistant to Counselor to the President, Robert H. Finch (1971-73); and Director, 1971 White House Conference on Youth (1970-71).

He received a B.S. degree from Principia College; an M.A. degree from the Woodrow Wilson School of Government and Foreign Affairs, University of Virginia; and a J.D. degree from the University of Virginia School of Law. Mr. Hanzlik is a graduate of U.S. Naval Officer Candidate School and the Armed Forces Air Intelligence Officer School. He is a decorated Vietnam veteran.

Active in the Republican party, Mr. Hanzlik was a candidate for the Republican nomination in California for the U.S. Senate in 1980. He also served as Director of the California Republican Victory Fund in 1980 and was an alternate delegate (California) to the 1980 Republican National Convention. Mr. Hanzlik is a member of the Virginia, American, and District of Columbia Bar Associations. He has authored, edited, and contributed to several publications.

Mr. Hanzlik was born in Los Angeles, California. He is married to the former Susan Evans of Tulsa Oklahoma. They have four children.

July 1981

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: HANZLIK (LAST) RAYBURN (FIRST) DeMARA (OTHER)

Position to which nominated: Administrator, Economic Regulatory Administration Date of nomination:

Date of birth: 7 (DAY) June (MONTH) 1938 (YEAR) Place of birth: Los Angeles, California

Marital status: Married Full name of spouse: Susan Evans Hanzlik

Name and ages of children: Kristina (16), Alexander (10), Rayburn (14), Geoffrey (7)

Education:

Institution	Dates attended	Degrees received	Dates of degrees
School of Law University of Virginia Charlottesville, VA	1968-70 1973-74	J.D.	1974
Woodrow Wilson School of Gov't & Foreign Affairs University of Virginia	1960-63	M.A.	1968
Principia College Elsah, Illinois	1956-60	B.S.	1960

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

Private Law Practice, 1333 New Hampshire Ave. Wash. DC; 3/81 to Present

Private Law Practice, 523 W.6th St. Los Angeles, CA; 6/80 to 3/81.

Private Law Practice, 301 E. Colorado Blvd. Pasadena, CA; 10/79 to 6/80.
Attorney; Akin, Gump, Hauer & Feld, 1333 New Hampshire Ave. Washington, DC; 8/78 to 10/79.
Attorney; Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Ave., Washington, DC; 2/77 to 8/78.
Associate Director, White House Domestic Council, Washington, DC; 8/75 to 2/77.
Partner, Robert Finch & Associates, 301 E. Colorado Blvd., Pasadena, CA; 10/74 to 8/75
Partner, E. Del Smith & Co., 901 16th St. NW, Washington, DC 9/73 to 10/74

Employment record—Continued

Staff Assistant to the President, The White House, Washington, DC; 12/72 - 9/73.

Executive Assistant to Counselor to the President, Robert H. Finch, The White House, Washington, DC 10/71-12/72.

Director, White House Conference on Youth, Washington, DC; 5/70-10/71

Military service: Enter all military service if not included above: service, dates, rank, type of discharge.

U.S. Navy, 5/63-9/68, Lieutenant, Honorable Discharge

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Military Awards; Navy Achievement Medal; Navy Unit Commendation Medal; Vietnam Service Medal; Republic of Vietnam Campaign Medal.

Outstanding Young Men of America (1972)

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
American Bar Association		1974 to Present
Virginia Bar Association		1974 to Present
District of Columbia Bar Association		1977 to Present
Naval Reserve Association		1968 to Present
U.S. Naval Institute		1968 to Present
Washington Golf & Country Club		1973 to Present

Published writings: List the titles, publishers and dates of any books, articles, or reports you have written.

1. Federal Executive Branch Review of the Recommendations of the 1971 White House Conference on Youth, March, 1972, GPO, Washington, DC (Editor)

2. The University of Virginia and Community Development: An Institutional Survey, published by the Southern Regional Education Board and the Economic Development Administration, August 1969. (Author)

3. Global Politics of Nuclear Energy, by Mason Willrich. Praeger, 1971. (Editor and contributor)

4. Soviet Foreign Relations and World Communism, edited by Thomas T. Hammond, Princeton University Press, 1965. (Contributor)

Qualifications:

State fully your qualifications to serve in the position to which you have been named.
(attach sheet) See Page 4a.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

I intend to discontinue my practice of law

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization.

I have no plans to resume employment with any previous employer, or firm upon completion of government service.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

N/A

(b) If you have been appointed for an indefinite term, do you have any known limitations on your willingness or ability to serve for the foreseeable future?

No

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None

QUALIFICATIONS

The position of Administrator of the Economic Regulatory Administraton demands a blend of management, legal, and political skills, combined with a strong conviction in the philosophy and goals of the Reagan Administration. My background as a former government official, Naval officer, political candidate and practicing attorney should amply equip me to undertake this challenging position.

My professional background is outlined elsewhere in this document. It represents a commitment I developed in college to devote my life to public service. I have purposely sought experiences and responsibilities during the past 20 years that would teach and prepare me for broader, more effective, and more enlightened service in our governmental system. This apprenticeship has included graduate work in government; the study of law; service as a Naval officer (including a combat tour in Vietnam and a Pentagon tour as an Admiral's Aide); work in several positions on the White House staff (including Associate Director for Intergovernmental Affairs on the Domestic Council); work in a Congressional office; management of a national conference sponsored by the White House; candidacy for Federal office in California; and, work as a Washington attorney in areas of legislative and administrative law, energy, international commercial transactions, and general legal practice.

I believe I have developed a balanced and practical appreciation of the roles of the Federal executive branch, the Congress, private industry and the general public. This, combined with a dedication to effective, strong management principles, and a working knowledge of energy issues, should serve me well in this position.

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

I have represented three energy-related clients - The Alaska Petrochemical Company, Japan Atomic Industrial Forum, and the Coastal States Corporation - with respect to legislative matters before the U.S. Congress.

4. List and describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law or public policy.

1. Registered lobbyist w/US Congress on behalf of the Alaska Petrochemical Co. on matters relating to construction of new petrochemical refinery in Alaska. (1978-79).
2. Registered lobbyist w/US Congress on behalf of the Coastal Corp. on legislation to reinstate two Federal oil and gas leases. (1979-81).
3. Registered foreign agent on behalf of the Japan Atomic Industrial Forum, to monitor Executive Branch and Congressional actions relating to changes in US civil nuclear energy policy. (1977-78).
4. Registered lobbyist w/US Congress on behalf of the National Standards Association to defeat legislation proposed by Senator Abourezk to federalize national standards.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

See Page 5a.

6. Explain how you will comply with conflict of interest laws and regulations applicable to the position for which you have been nominated. Attach a statement from the appropriate agency official indicating what those laws and regulations are and how you will comply with them.

I will seek and abide by the advice of the Office of General Counsel.

POTENTIAL CONFLICT OF INTEREST

If confirmed as Administrator, Economic Regulatory Administration, I will recuse myself during my tenure in office from participation in, or providing any advice with regard to, any particular matter specifically involving Coastal Corporation, Alaska Petrochemical Corporation, Japan Atomic Industrial Forum or any other client which I have personally represented as an attorney practicing law as an individual or in association with any law firm. This recusal is not intended to inhibit my participation in the formulation or promulgation of a rule of general applications.

Department of Energy
Washington, D.C. 20585

JUL 21 1981

Mr. Rayburn D. Hanzlik
3150 North Monroe Street
Arlington, VA 22207

Dear Mr. Hanzlik:

This is intended to serve as a statement from the designated agency ethics official of this Department, as required by question 6 (page 5) of the Statement for Completion by Presidential Nominees that you are submitting to the United States Senate Committee on Energy and Natural Resources in connection with your nomination for the position of Administrator, Economic Regulatory Administration, Department of Energy. This memorandum concerns the conflict of interest laws and regulations applicable to you in that position and is based on my review of your Standard Form 278 (Financial Disclosure Report) dated June 15, 1981, and your Form DOE-460 (Report on Prior Employment) dated June 22, 1981.

As a supervisory employee of the Department, you will be prohibited by section 602(a) of the DOE Organization Act (Pub. L. 95-91) from knowingly receiving compensation from, holding any official relation with, or having any pecuniary interest in any energy concern. The term "energy concern" is defined in section 601(b) of the Act as any entity "significantly engaged in the business" of any of a variety of activities related to energy production, distribution, sale, or research and development, or any entity significantly engaged in such research and development pursuant to a DOE-funded program irrespective of whether it otherwise engages in such business. The term also includes any entity holding an interest in property from which an energy resource is commercially produced or obtained.

You listed in your Standard Form 278 and your Form DOE-460 employment with Coastal Corporation, Alaska Petrochemical Company, and the Japan Atomic Industrial Forum, which have been determined to be energy concerns. With respect to such prior employment, sections 606(a) and (b) of the Act state:

(a) For a period of one year after terminating any employment with any energy concern, no supervisory employee shall knowingly participate in any Department proceeding in which his former employer is substantially, directly, or materially involved, other than in a rulemaking proceeding which has a substantial effect on numerous energy concerns.

(b) For a period of one year after commencing service in the Department, no supervisory employee shall knowingly participate in any Department proceeding for which, within the previous five years, he had direct responsibility, or in which he participated substantially or personally, while in the employment of any energy concern.

The term "Department proceeding" is defined in section 1010.103(h) of DOE's Conduct of Employees regulations as "any judicial proceeding, Department hearing, application, rulemaking, order, license, contract, grant, award, fund transfer, claim, controversy, charge, accusation, or arrest, in which the Department is directly involved."

Finally, section 208, title 18, United States Code, makes it a criminal offense for you to participate personally and substantially, as a Government employee, in any particular matter in which you have (or your spouse, minor child, partner, organization in which you are serving as officer, director, trustee, partner, or employee, or any person or organization with whom you are negotiating or have any arrangement concerning prospective employment has) a financial interest. Accordingly, you should avoid participation in any particular matter the outcome of which could have a direct and predictable effect on any of your other financial interests.

Please let me know if I can be of further assistance.

Sincerely,

Ralph D. Goldenberg

Ralph D. Goldenberg
Assistant General Counsel
for Standards of Conduct

Financial statement:

1. Attach a copy of your Executive Personnal Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

1. Tiger Air, Inc. (Los Angeles, CA), contingency fee, $50,000-$100,000.

2. Southwest Products Co. (Monrovia, CA), contingency fee $50,000-$100,000.

3. Are any assets pledged? (Add schedule.)

No

4. Are you currently a party to any legal action?

No

5. Have you ever declared bankruptcy?

No

6. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

1978 - Audit incomplete

1976 - Tax overpayment (refund of $62.00)

1975 - Tax deficiency (adjustment payment of $191.21)

United States of America
Office of Government Ethics

Office of Personnel Management
Washington, D.C. 20415

JUL 24 1981

Honorable James A. McClure
Chairman, Committee on Energy and
Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Rayburn D. Hanzlik, who has been nominated by President Reagan for the position of Administrator, Economic Regulatory Administration, Department of Energy.

We have reviewed the report and have also obtained advice from the Department of Energy concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. Based thereon, we believe that Mr. Hanzlik is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

J. Jackson Walter
Director

Enclosure

FINANCIAL DISCLOSURE REPORT

Reporting Status (Check Appropriate Box)

☐ Incumbent | X Nominee, Nominee for Other Position | ☐ Termination Report

NOTE
All schedules must be filled. Enter "None" in space or across schedules where appropriate.

Date of Filing (Month, Day, Year)	JUN 19 1981	OGE Use Only JUN 30 81
Reporting Individual's Name	HANZLIK	First Name and Middle Initial: Rayburn D.
Position for Which Filing	Administrator	Department or Agency (If Applicable): Economic Regulatory Admin. Department of Energy
Location of Present Office	1333 New Hampshire Avenue, N. W. Washington, D. C. 20036	Room No.: Suite 400 — Telephone No. (Include Area Code): (202) 887-4235
Date of Appointment, Candidacy, Election or Nomination (If Applicable) (Month, Day, Year)		Termination Date (If Applicable) (Month, Day, Year)
Presidential Nominees Subject to Senate Confirmation	Senate Committee on Energy & Natural Resources	Do You Intend to Create a Qualified Diversified Trust? ☐ Yes X No
Position(s) Held With the Federal Government During the Preceding 12 Months (If Same as Above)	None	

Certification

I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.

Rayburn D. Hanzlik — June 15, 1981
(Signature) — (Date (Month, Day, Year))

Agency Ethics Official's Opinion

The information contained in this report discloses no conflict of interest under applicable laws and regulations.

Thomas E. Robinson — 6/30/81
(Reviewing Official) — (Date (Month, Day, Year))

Office of Government Ethics Use Only

(Date (Month, Day, Year))

Comments of Reviewing Official (If additional space is required, use reverse side of this sheet)

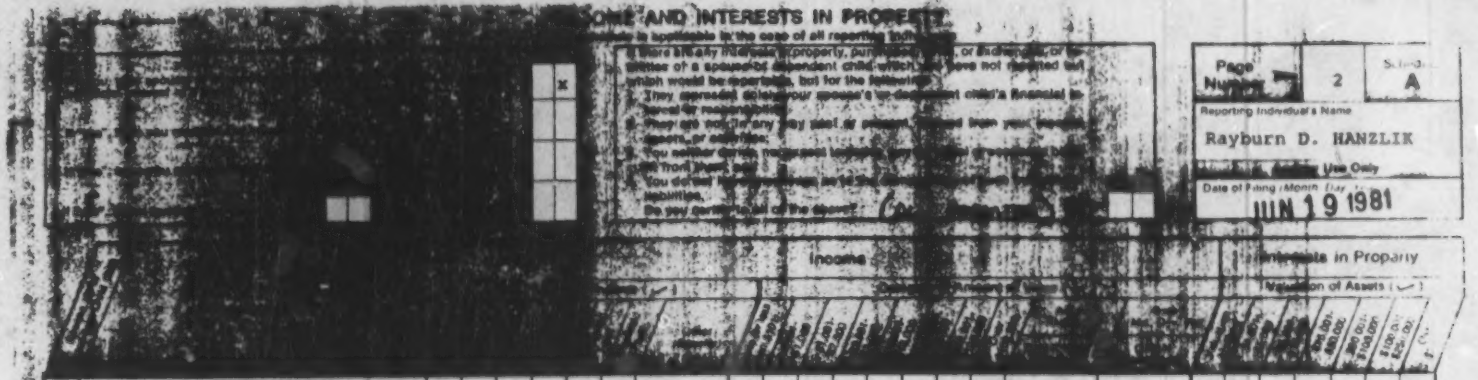
Mr. Hanzlik will be given advice pursuant to 18 USC 208 for his spouses financial interests and advice pursuant to sec. 606 of the DOE act regarding his prior representation of Coastal Corporation.

TER 6/30/81

No position or termination arrangement is contemplated in law firm 1105

(Check box if comments are continued on the reverse side)

128



...ME AND INTERESTS IN PROPERTY

Page Number 2 | Schedule A

Reporting Individual's Name: Rayburn D. HANZLIK

Date of Filing (Month Day Year): JUN 19 1981

Income | Interests in Property | Acquisition of Assets

| | | |

Reporting Individual's Name
Rayburn D. HANZLIK

Date of Filing (Month, Day, Year)
JUN 19 1981

PURCHASES, SALES, AND EXCHANGES

(Reporting applicable only in the case of annual and termination reports)

Description of Transaction (Including Name of Asset Involved in Transaction)	Type of Transaction			Date (Month, Day, Year)		Category of Amount or Value					
N/A -- Nominee											

92-775 O—82—9

GIFTS AND REIMBURSEMENTS

This schedule is applicable only in the case of annual and terminating reports

Number 4 C

Reporting Individual: Rayburn D. HANZLIK

Agency Use Only

Date of Report: Month JUN 19 1981

1. Lodging, transportation, food and entertainment received from each source totaling $250 or more in value

N/A -- Nominee

2. All Other Gifts -- List each source totaling $250 or more in value

N/A -- Nominee

3. Reimbursements -- List each source totaling $250 or more in value

N/A -- Nominee

Reporting Individual's Name: Rayburn D. HANZLIK

Date of Filing (Month, Day, Year): Filed 6/19/81 Retyped 6/[illegible]

Page Number: 5

			Category of Amount			
	National Bank of Washington Wash., D.C.	Promissory note signed 3/79 and repaid 12/80 Interest rate: 17.0%		x		
	Manufacturers Bank Beverly Hills, CA	Promissory note signed 10/80 and repaid 2/81 Interest rate: 17.0%		x		

Akin, Gump, Strauss, Hauer & Feld	1333 New Hampshire Avenue Washington, D.C. 20036	Law Firm	Consultant (counsel)	10/79	Present
Fleming, Anderson, McClung & Finch	301 E. Colorado Blvd. Pasadena, CA	Law Firm	Consultant (counsel)	10/79	6/80
Darling, Rae & Gute	525 West 6th Street Los Angeles, CA	Law Firm	Consultant (counsel)	6/80	2/81
Akin, Gump, Strauss, Hauer & Feld	1333 New Hampshire Avenue Washington, D.C. 20036	Law Firm	Associate	1/79	10/79

Coastal Corporation	9 Greenway Plaza Houston, TX	Provided legal counsel regarding legislation concerning offshore leasing and the Department of Interior.
Western International Hotel Company	Seattle, Washington	Final fee payments received during reporting period for services in 1975 for development of new hotel in Manila, Philippines.
Akin, Gump, Hauer & Feld	1333 New Hampshire Avenue Washington, D.C. 20036	General practice of the law.

None

District of Columbia) ss

AFFIDAVIT

Rayburn DeMara Hanzlik, being duly sworn, hereby states that he/she has read and signed the foregoing Statement for Completion by Presidential Nominees including the Financial Statement and that the information provided therein is, to the best of his/her knowledge and belief, current, accurate, and complete.

Subscribe and sworn before me this 2nd day of September, 19 81

Notary Public

My Commission Expires November 14, 1984

U.S. GOVERNMENT PRINTING OFFICE

BIOGRAPHY - ROBERT C. HORTON

PERSONAL DATA

Born July 25, 1926, Tonopah, Nevada.
Wife, Beverly; 3 daughters, all adults.
Residence - Grand Junction, Colorado.

EDUCATION

B.S. - 1949 Mackay School of Mines, University of Nevada, Reno; Awarded Jewett Adams Scholarship in 1947 and the Kennecottt Copper Corp. Scholarship as outstanding senior student in 1948. Major - Geological Engineering.

1966 Awarded Professional Degree as Geological Engineer.

MILITARY SERVICE

1944 - 1946 Enlisted in U.S. Navy. Attended University of Gonzago , Spokane, Washington, as an officer candidate.

1953 - 1955 Recalled to active duty, U.S. Navy. Served as air intelligence officer with a fighter-bomber squadron in the Western Pacific.

PROFESSIONAL EXPERIENCE

1976 - Present Division Director, Bendix Field Engineering Corp., Grand Junction, Colorado. Administrative coordination of the departments and programs relating to the National Uranium Resource Evaluation Program.

1972 - 1976 Consultant, Reno, Nevada. Examined minesin the Western U.S., Canada and Mexico.

1967 - 1971 Vice-president, Transcon Industries, Inc. - Petroleum and Electronics conglomerate.

1965 - 1966 Associate Director, Nevada Bureau of Mines and Nevada Mining Analytical Laboratory.

1956 - 1965 Assistant and associate mining engineer, Nevada Bureau of Mines, University of Nevada.

1951 - 1952 Consultant geologist; directed operation of a lead mine in Arizona

MEMBERSHIPS

American Institute of Mining, Metallurgical and Petroleum Engineers - Past Chairman, Vice-chairman, and Secretary, Reno subsection.
Society of Economic Geologists

AWARDS AND HONORS

"Engineer of the Year" - National Society of Professional Engineers, Reno Chapter.

Governor's Advisory Mining Board - Gov. Mike O'Callaghan - 1971-1973. Chairman, 1972.

Governor's Advisory Mining Board - Gov. Paul Laxalt - 1967-1971..

LICENSES

Registered Professional Geological Engineer, State of Nevada, 1955.

Private Pilot's License, 1946.

PUBLICATIONS

Author of over Thirty scientific and technical reports and articles.

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Horton (LAST) Robert (FIRST) Carlton (OTHER)

Position to which nominated: Director, U.S. Bureau of Mines Date of nomination: August 18, 1981

Date of birth: 25 (DAY) July (MONTH) 1926 (YEAR) Place of birth: Tonopah, Nevada

Marital status: Married Full name of spouse: Beverly Jean (Burhans) Horton

Name and ages of children: Debra Lynn Horton - 29
Robin Elizabeth Durbin - 27
Cindy Kathleen Felices - 25

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Humboldt County HS	1940-1944	Diploma	1944
University of Gonzaga	1944-1945	None	
University of Washington	1945-1946	None	
University of Nevada	1946-1949	B. Sci.	June, 1949
University of Nevada	1966	Geological Engineer	June, 1966

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

(1) Director, Geologic Division, Bendix Field Engineering Corp., Grand Junction, CO. 5/76-Present. Directed all field activities/ managed all activities of the Division.
(2) Consultant, self-employed, Reno, Nevada. 10/75-5/76. Examination and evaluation of mineral deposits.
(3) Chief of Construction, Meiser Enterprises, Inc., Sparks, Nevada. 4/72-10/75. Engineering, design, and construction of structures.
(4) Sole proprietor, Pacific Basin Associates, Inc., Reno, Nevada. 11/71-4/72. Advised clients regarding commodity purchases.
(5) Vice-President, Raven Electronics, Inc., Sparks, Nevada. 1/71-7/71. General Management.
(6) Vice-President, Transcon Industries, Inc., Reno, Nevada. 1/68-12/70. Petroleum exploration & drilling activities in Eastern Nevada.
(7) Vice-President, Nevada Geosciences, Inc., Reno, Nevada. 7/66-12/67. Petroleum exploration & drilling activities in Eastern Nevada.
(8) Asst/Assoc Mining Engineer, Nevada Bureau of Mines, Reno, Nevada. Directed activities of all staff conducting mineral studies. Prepared mineral reports.

Employment record—Continued

(9) Self-employed geologist, Reno, Nevada. 4/55-12/55.

(10) Geologist, United Engineers, Reno, Nevada. 3/50-1/53.

(11) Teller, First National Bank of Nevada, Reno, Nevada. 11/49-3/50.
(12) Geologist, U.S. Geological Survey, Carson City, Nevada. 6/49-11/49.

Military service: Enter all military service if not included above: service, dates, rank, type of discharge.

U.S. Navy, 1944-1946, Apprentice Seaman (Officers Training), Honorable discharge.

U.S. Navy 1953-1955, Ensign, Lieutenant, J.G., - Released to inactive duty. Presently Lt., USNR, Retired.

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Jewett Adams Scholarship, Univ. of Nevada, 1947.

Kennecott Copper Corp. Scholarship, Univ. of Nevada, 1948.
"Engineer of the Year" (1967), Reno Chapter, National Society of Professional Engineers.

Governor's Advisory Mining Board, by Gov. Paul Laxalt, 1967-1971
Governor's Advisory Mining Board, by Gov. Mike O'Callaghan, 1971-1973, elected Chairman, 1972.
Environmental Protection Hearing Board, by Gov. Mike O'Callaghan, 1971-1972, chairman, 1972.

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
American Institute of Mining, Metallurgical & Pretroleum Engineers.	Chairman, Vice-Chmn., Secretary, of Reno Subsection.	1956-Present
Society of Economic Geologists	none	1966-Present
Free and Accepted Masons of Nevada, Washoe Lodge	none	1956-Present
Nevada Society of Professional Engineers	Secretary, Treas.	1955-1977

Published writings: List the titles, publishers and dates of any books, articles, or reports you have written.

See attached list.

Robert C. Horton, Publications

Dickson, F. W., Tunnell, G., Lawrence, E., Horton, R. C., 1957, Deposition of mercuric sulfide at Amadee Hot Springs, California (abst.): Geol. Soc. America Bull., v. 68, no. 12, pt. 2.

Horton, Robert C., 1960, History of the mineral industry in the White Pine County area, Nevada: in Guidebook to the Geology of East Central Nevada, Intermountain Association of Petroleum Geologists.

Staff, Nevada Bureau of Mines, Nevada Mining Analytical Laboratory, Desert Research Institute, University of Nevada, 1962, Geological, geophysical, and hydrological investigations of the Sand Springs Range, Fairview Valley and Fourmile Flat, Churchill County, Nevada: special report for the Shoal Event, Project Shade, Vela Uniform Program, Atomic Energy Commission.

Horton, R. C., Schilling, J. N., and Slemmons, D. B., 1962, Road Log - Reno to Fairview Peak earthquake area and AEC Project Shoal: in Guidebook of the Geological Society of Sacramento and the Sacramento Section, California Association of Engineering Geologists, Annual Field Trip, U.S. Highway 40, Sacramento to Reno, 1962.

Horton, Robert C., 1962, An inventory of fluorspar occurrences in Nevada: Nev. Bur. Mines Report 1.

_____, 1962, Fluorspar occurrences in Nevada: Nev. Bur. Mines (Map 3.)

_____, 1962, Iron ore occurrences in Nevada: Nev. Bur. Mines (Map 5.)

_____, 1962, Barite occurrences in Nevada: Nev. Bur. Mines (Map 6.)

Horton, R. C., Bonham, W. F., Longwill, W. D., 1962, Lode gold occurrences in Nevada by district: Nev. Bur. Mines Map 11.

_____, 1962, Silver occurrences in Nevada by district, Nev. Bur. Mines Map 12.

_____, 1962, Copper occurrences in Nevada by district: Nev. Bur. Mines Map 13.

_____, 1962, Lead occurrences in Nevada by district: Nev. Bur. Mines Map 14.

_____, 1962, Zinc occurrences in Nevada by district: Nev. Bur. Mines Map 15.

Horton, Robert C., 1963, An inventory of barite occurrences in Nevada: Nev. Bur. Mines Report 4.

_____, 1964, Hot Springs, sinter deposits, and volcanic cinder cones in Nevada: Nev. Bur. Mines Map 25.

_____, 1964, Coal; in Mineral and Water Resources of Nevada, U.S. Senate Document No. 87, 88th Congress, and Nev. Bur. Mines. Bull. 65, p. 49-53.

_____, 1964, Petroleum; op. cit., p. 54-57.

_____, 1964, Barite; op. cit., p. 177-180.

_____, 1964, Fluorspar; op. cit., p. 198-202.

_____, 1964, Pumice, Pumicite, and volcanic cinders; op. cit., p. 237-240.

_____, 1964, Sodium Compounds; op. cit., p. 247-254.

_____, 1964, Geothermal power; op. cit., p. 267-269.

Horton, R. C., and Olson, R. N., 1964, Dimension stone; op. cit., p. 194-197.

Horton, R. C. and Lincoln, F. C., 1964, Outline of Nevada Mining history; Nev. Bur. Mines Report 7.

_____, 1964, Industrial minerals of Nevada; Nev. Dur. Mines Map 27.

_____, 1965, Eastern Nevada is a gamble, but production is rising; World Oil, vol. 161, no. 1, p. 84-89.

_____, 1977, National Uranium Resource Evaluation Program, data collection and evaluation strategies; in Uranium Industry Seminar Proceedings, U.S. Department of Energy, GJO-108(77), p. 95-102.

_____, 1978, Lithologic log and interpretation of instrument logs, National Uranium Resource Evaluation project, Carson Sink, Nevada borehole; U.S. Department of Energy, GJBX-53(78).

_____, 1979, National Uranium Resource Evaluation, quadrangle evaluation and assessment; in Uranium Industry Seminar Proceedings, 1979, U.S. Department of Energy, GJO-108(79), p. 101-107.

_____, 1980, Execution of the United States National Uranium Resource Evaluation programme; in Uranium Evaluation and Mining Techniques, International Atomic Energy Agency, Vienna, Austria, IAEA-SM-239/9, p. 429-446.

_____, 1980, National Uranium Resource Evaluation, world-class, intermediate-grade and quadrangle evaluation programs; in Uranium Industry Seminar Proceedings, 1980, U.S. Department of Energy, GJO-108(80), p. 53-58.

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

I will sever all connections with my present employer.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization.

I have no plans to resume employment with any previous employer.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

Not applicable.

(b) If you have been appointed for an indefinite term, do you have any known limitations on your willingness or ability to serve for the foreseeable future?

There are no limitations.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

There are none.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

There are none.

UNITED STATES SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES

Qualifications: Robert C. Horton, for the position of Director,
U.S. Bureau of Mines

My skill in the management of mineral research programs has been formally recognized on at least two occasions, my promotions to Associate Director, Nevada Bureau of Mines, and to Director, Geology Division, Bendix Field Engineering Corporation, Grand Junction Operations. Bendix is the prime contractor, U.S. Department of Energy, for execution of the National Uranium Resource Evaluation (NURE) program. In my present position I have been directly responsible for the activities of 130 geologists and 30 technical and clerical personnel and indirectly responsible, through subcontracts, for the work of several hundred additional geologists.

My ability to coordinate and direct multidisciplinary and intradisciplinary scientific/technical program fuctions has most recently been demonstrated by the successful conduct of the NURE program. During the past four years I have directed the evaluation and assessment of 162 two-degree NTMS quadrangles, a total area of 1.2 million square miles. Of the 162 quadrangle evaluations, 23 were performed by the U.S. Geological Survey, 73 by Bendix, 14 by Universities and state geological surveys, and 51 by private subcontractors. This diverse group generated many interesting management problems. The quadrangle evaluation studies were completed on schedule and under budget.

The identification and management of mineral research projects require conceptual ability and functional knowledge. Broad program objectives must be converted to specific projects with well-defined tasks and goals. The initiation of concepts as well as the inspiration of concepts by others have been my responsibility in several past assignments. The acceptance or

rejection of concepts requires that I be knowledgeable concerning geology, mining, metallurgy, field and laboratory methods, staffing, logistics, budgets, probable contribution to program goals, likelihood of success, results of failure, and many other aspects.

The comments and actions of others suggest I am blessed with skills in interpersonal liaison. I have served as an officer in almost every organization I have joined. While at the Nevada Bureau of Mines I was elected chairman of the University of Nevada Faculty Council, the only nonteaching, nondoctor faculty member ever so honored by the university. I am not easily angered, am blessed with a sense of humor, and genuinely enjoy people of every make and model. In a recent performance review I was congratulated by my superiors for the strong personal loyalty shown by my staff. I enjoy a reputation as a master of ceremonies and as a public speaker.

Successful management requires the subtle persuasion of others. I know I have enjoyed success in many endeavors because of my fortunate ability to accomplish that task.

I have experience in and knowledge of many of the basic scientific principles that underlie the program functions of the U.S. Bureau of Mines. While in college I attended all courses offered by the Mackay School of Mines in geology, mining, and metallurgy as well as a broad sprinkling of courses in humanities. My professors honored me by awarding me the Kennecott Copper Corporation scholarship as the outstanding senior student in the School of Mines. I have worked as a miner, a millman and as a geologist. I consider myself, by education and experience, as a generalist in the mineral industry with a substantial ability for management. I have a broad general interest in science and find that interest useful in applying scientific principles to the solution of mineral resource problems.

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

I have had no direct dealings which would create conflicts, but Bendix Field Engineering Corp. has contracts with the U.S. Bureau of Mines which could be construed as conflicts of interest.

4. List and describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law or public policy.

None.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

To my knowledge, there are none to resolve. I will not participate in any Bendix contractual arrangements with the Bureau of Mines.

6. Explain how you will comply with conflict of interest laws and regulations applicable to the position for which you have been nominated. Attach a statement from the appropriate agency official indicating what those laws and regulations are and how you will comply with them.

The code of ethics/rules of conduct for an employee of the Department of the Interior have been fully explained to me. I am not aware of any potential conflicts of interest. SEE ATTACHED STATEMENT.

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Memorandum

To: Director, Office of Government Ethics

From: Designated Agency Ethics Official

Subject: Opinion Memorandum for Robert C. Horton, Nominee for the Position of Director, United States Bureau of Mines

The financial statement filed by Mr. Horton has been reviewed in accordance with the provisions contained in 5 CFR 734.604(a).

The ethics provisions applicable to the position of Director, U.S. Bureau of Mines are those contained in 18 U.S.C. §201-§209, Executive Order 11222 as implemented in 43 CFR 20.735-15, 30 U.S.C. §1211(f) as implemented by 30 CFR 706, 30 U.S.C. §6 and 43 CFR Part 7. I have determined that the financial interests reported by Mr. Horton are not prohibited by any of the ethics statutes or regulations that will be applicable to him as Director, Bureau of Mines.

Mr. Horton comes to the position of Director, Bureau of Mines from Bendix Field Engineering Corporation, a subsidiary of Bendix Corporation. Our review of Bureau of Mines contracts revealed that Bendix Corporation currently has 20 active contracts with the Bureau of Mines amounting to $4,630,378 in value. Mr. Horton reports that as Director of the Geology Division for Bendix Field Engineering Corporation he was not involved with nor, in fact, aware of the contracts that other divisions of Bendix Corporation have with the Bureau of Mines. Mr. Horton's work for Bendix is related to contracts the corporation received from the Department of Energy. However, recognizing the potential appearance of conflict of interest, Mr. Horton has agreed to disqualify himself from personal participation in contract negotiations, amendments or extensions involving any of the existing contracts which the Bureau of Mines currently has with Bendix Corporation. Further, Mr. Horton has agreed to refrain from participation in any new particular matter involving Bendix Corporation during his tenure as Director.

Based on our analysis and on the information provided, I have signed the certification on Mr. Horton's Financial Disclosure Report. Should you have further questions concerning the report submitted by Mr. Horton, please call the Deputy Agency Ethics Official, Gabriele J. Paone, at 343-3932.

Richard R. Hite

Attachment

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

I expect to receive approximately $180.00 per month from the Bendix Retirement Plan.

3. Are any assets pledged? (Add schedule.)

No.

4. Are you currently a party to any legal action?

No.

5. Have you ever declared bankruptcy?

No.

6. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes.

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

Yes, my return was determined to be proper and correct.

United States of America
Office of Government Ethics

Office of Personnel Management
Washington, D.C. 20415

AUG 24 1981

Honorable James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Robert C. Horton, who has been nominated by President Reagan for the position of Director of the United States Bureau of Mines.

We have reviewed the report and have also obtained advice from the Department of Interior concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. Based thereon, we believe that Mr. Horton is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

J. Jackson Walter
Director

Enclosure

0300

NOTE

New Entrant, Nominee or Candidate [X]

Agency Use Only — Date of Filing (Month, Day, Year): JUL 29 1981

	Last Name	First Name and Middle Initial
Full Name (Individual's Name)	Horton	Robert C.
Position for Which Filing	Title of Position: Director	Department or Agency (If Applicable): U.S. Bureau of Mines
Location of Present Office	Address (Number, Street, City, State and Zip Code): Bendix Field Engineering Corp., Grand Junction, Colorado	Room Number: None; Telephone No. (Include Area Code): (303) 242-8621

Present and Nominee Subject to Senate Confirmation — Name of Committee Considering Nomination:

Do you intend to Create a Qualified Diversified Trust? Yes [ ] No [X]

Position(s) Held With the Federal Government During the Preceding 12 Months (If Same as Above, Write Same): None

Certification — Signature of Reporting Individual: Robert C. Horton — Date (Month, Day, Year): June 22, 1981

Agency Ethics Official's Opinion — Signature of Designated Agency Ethics Official: Richard White — Date (Month, Day, Year): JUL 29 1981

Office of Government Ethics Use Only — Signature of Reviewing Official (If additional space is required, use reverse side of this sheet): Jackson Walter — Date: 8-24-81

Per the attached recusal statement Mr. Horton has agreed to recuse himself from any matters involving the Bendix Corp. E.P.

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	Yes	No
...your spouse or dependent child receive income from, or have a ...financial interest in a trust?		X
...have you reported the income from the trust?		
...have you reported the assets of the trust?		
...is this trust an "excepted" trust? ... or "qualified" trust		

...ble, but for the following:
1. They represent solely your spouse's or dependent child's financial interest or responsibility.
2. They are not in any way past or present, derived from your income, assets, or activities.
3. You neither know, nor expect to derive, any financial or economic benefit from them; and
4. You do not have knowledge as to the composition of such interests or activities.

Do you object to all of the above? X

Page Number 2 A

Reporting Individual's Name: Horton, Robert C.
Agency Use Only

Date of Filing (Month, Day, Year)

Identification	Income: Type of Income	Income: Category of Amount or Value	Interests in Property: Valuation of Assets
House rent at 2150 Brisabane Avenue Reno, Nevada	X	X	A X
House rent at 578 1/2 Melrose Ct., Clifton, CO	X	X	A X
House rent at 3030 E. Gunnison, Clifton, CO	X	X	A X
Savings Account, U.S. Bank Grand Junction, CO	X	X	H X
Sale of royalty interest in Pennington Federal Oil Well No.5	X	X	None -- Sold
Two percent royalty income Pennington Federal Oil Well No. 5	Royalty Income	2578.00	None -- Sold
Bendix Field Engr. Corp.	Salary	63,227.00	

...schedules apply to ... Part ... and certain other reports.

Name: 3
Reporting Individual's Name
Horton, Robert C.
Agency Using Only
Date of Filing (Month, Day, Year)

...plicable Transactions. Even if Also Reported on Schedule A

Identification of Property (real and personal)	Type of Transaction			Date (Month, Day, Year)		Category of Amount
	Purchase	Sale (full)	Exchange	Purchase	Sale or Exchange	$1,001 to $15,000
N/A - Nominee						

Horton, Robert C.

Source (Name and Address)	Brief Description
N/A - Nominee	
N/A - Nominee	
N/A - Nominee	

Reporting Individual's Name: Horton, Robert C.

Agency Use Only
Date of Filing (Month, Day, Year)

5

Name and Address of Creditor	Type of Liability (e.g., promissory note, margin account) Give date, interest rate and terms of repayment.	Category Amount of Liability a. $10,000 or less b. $10,001 - $100,000 c. $100,001 - $1,000,000 d. Over $1,000,000			
		a	b	c	d
First Interstate Bank 1 East First Street, Reno, Nevada	Deed of Trust secured by mortgage on rental house, at 2150 Brisbane Ave., Reno, Nevada/9.125%, May 1978, 20 yrs		X		
First Capitol Mortgage Company, 7503 Marin Dr., Englewood, Colorado	Deed of trust secured by mortgage on rental houst at 578.5 Melrose Ct., Clifton, CO/10.5%, Oct. 1979, 30 yrs.		X		
South Coast Mortgage Company P.O. Box Drawer 3688, Beaumont, Texas	Deed of trust secured by mortgage on rental house at 3030 E. Gunnison, Grand Junction, CO/11.5%, Nov.1979 30 yrs.		X		

Name and Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Bendix Field Engineering Corporation Post Office Box 1569, Grand Junction, CO 81502	Private Corporation	Director of the Geology Division	June 1977	Present

(Note: Mr. Horton will resign from this position upon being confirmed by the Senate.) E.P.

Source (name and address)	Brief Description of Duties
Bendix Field Engineering Corporation Post Office Box 1569, Grand Junction, CO 81502	Salary as Director of the Geology Division; directed geologic studies as required by contract with U.S. Department of Energy

Type	Name of Grantor	Date or Year Rec'd
Retirement pay, medical benefits and life insurance as provided by standard corporate policies and procedures. I shall receive no special consideration, compensation or treatment. *	Bendix Field Engineering Corporation Post Office Box 1569, Grand Junction, CO	Effective August 1981

E.P * Mr. Horton has terminated his medical and life insurance coverage. He has a vested interest in his retirement trust which is administered by the Sandia Corp. He has no knowledge of the holdings of the fund and this trust is audited annually.

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Recual Statement of Robert C. Horton
Nominee for Director, Bureau of Mines
United States Department of the Interior

Upon confirmation by the Senate to the position of Director, United States Bureau of Mines, I will disqualify myself from personal participation in contract negotiations, amendments or extensions involving any of the existing contracts which the Bureau of Mines currently has with the Bendix Corporation. Further, during my tenure as Director, Bureau of Mines, I will refrain from participation in any new particular matter involving Bendix Corporation.

Robert C. Horton
Signature

July 17 1981
Date

AFFIDAVIT

District of Columbia ss

Robert C. Horton , being duly sworn, hereby states that he/she has read and signed the foregoing Statement for Completion by Presidential Nominees including the Financial Statement and that the information provided therein is, to the best of his/her knowledge and belief, current, accurate, and complete.

Robert C. Horton

Subscribe and sworn before me this 20th day of 1981 , 19

Notary Public

Notary Public
District of Columbia
My Commission Expires Feb 15. 1986

U.S. GOVERNMENT PRINTING OFFICE

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: PECK (LAST) Dallas (FIRST) Lynn (OTHER)

Position to which nominated: Director, U.S. Geological Survey

Date of Notice of Intent of nomination: June 9, 1981

Date of birth: 28 (DAY) March (MONTH) 1929 (YEAR) Place of birth: Cheney, Washington

Marital status: Married Full name of spouse: Sue Lewis Peck

Name and ages of children: Ann Lillian Peck, 28
Stephen Lynn Peck, 25
Gerritt Francis Peck, 18

Education:

Institution	Dates attended	Degrees received	Dates of degrees
California Inst. of Tech	1947-1951	B.S.	1951
California Inst. of Tech	1951-1952	M.S.	1953
Harvard University	1952-1954	Ph.D.	1960

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

6/51-9/51; 6/52-9/52; 6/53-9/53 - Geologic Field Assistant, U.S. Geological Survey, Leadville, CO; Lone Pine and Bishop, CA; and Mammoth Lakes, CA

9/51-6/52 - Teaching Assistant, C.I.T., Pasadena, CA

9/52-6/53 - Teaching Assistant, Harvard Univ., Cambridge, MA

6/54-Present - Geologist, U.S. Geological Survey, including geologic exploration and research in Oregon, California, and Hawaii (6/54-7/66; 4/72-8/77) and science management (Deputy Assistant Chief Geologist

Employment record—Continued

and Assistant Chief Geologist, 7/66-4/72; Chief Geologist 8/77 to present.)

Military service: Enter all military service if not included above: service, dates, rank, type of discharge.

None

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

CalTech, graduated with honor 1951

National Science Foundation Fellowship, 1953-54

Department of the Interior, Meritorious and Distinguished Service Awards; Meritorious Executive Award, 1980

Awarded Fellowship status in AAAS; Geological Society of America; American Geophysical Union (AGU)

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
American Association for the Advancement of Science	None	ca 1970-Present
American Geophysical Union	VGP Pres, Section, 1978	1976-1980 1968-Present
Geological Society of America	Councillor,	Present 1980-Present
Society of Economic Geol.	None	1970-Present
Mineralogical Soc. America	None	1975-Present
Geological Soc. of Wash.	Pres, 1976	1954-1958 1966-Present
Cosmos Club	None	ca 1970-Present

Published writings: List the titles, publishers and dates of any books, articles, or reports you have written.

See attachment

Bibliography of D. L. Peck
(Exclusive of abstracts and book reviews)

1. 1956. (with Imlay, R. W., and Popenoe, W. P.) Upper Cretaceous rocks of southwestern Oregon and northern California: Am. Assoc. of Petroleum Geologists Bull., v. 40, p. 1968-1984.

2. 1959. (with Imlay, R. W., Doell, H. M., and Wells, F. G.) Relations of certain Jurassic and Lower Cretaceous formations in southwestern Oregon: Am. Assoc. of Petroleum Geologists Bull., v. 43, p. 2770-2785.

3. 1960. Cenozoic volcanism in the Oregon Cascades: Art. 144, in Geological Survey Research 1960, U.S. Geol. Survey Prof. Paper 400B, p. B308-B310.

4. 1961. (with Wells, F. G.) Geologic map of Oregon west of the 121st meridian: U.S. Geol. Survey Misc. Inv. Map I-325.

5. 1961. John Day Formation near Ashwood, north-central Oregon: Art. 343 in Short Papers in the Geologic and Hydrographic Science, U.S. Geol. Survey Prof. Paper 424D, p. D153-D156.

6. 1962. (with Moore, J. G.) Accretionary lapilli in volcanic rocks of the western continental United States: Jour. Geology, v. 70, p. 182-194.

7. 1962. (with Calkins, F. C.) Granitic rocks of the Yosemite Valley Area, California: Calif. Div. Mines and Geology Bull. 182, p. 17-24.

8. 1962. (with Wahrhaftig, Clyde, and Calkins, F. C.) Road log 3, El Portal to Wawona Tunnel and a circuit of Yosemite Valley, Calif.: Calif. Div. Mines and Geology Bull 182, p. 61-68.

9. 1964. (with Griggs, A. B., Schlicken, H. H., Wells, F. G., and Doell, H. M.) Geology of the Western Cascade Range in northern and central Oregon: U.S. Geol. Survey Prof. Paper 449, 56 p.

10. 1964. Geologic reconnaissance of the Antelope-Ashwood area, Oregon, with emphasis on the John Day Formation: U.S. Geol. Survey Bull. 1161D, 26 p.

11. 1964. Preliminary geologic map of the Merced Peak quad., California: U.S. Geol. Survey Mineral Inv. Field Studies Map MF-281.

12. 1964. (with Moore, J. G., and Kojima, George) Temperatures in the crust and melt of Alae lava lake, after the August 1963 eruption of Kilauea Volcano--a preliminary report: U.S. Geol. Survey Prof. Paper 501D, p. D1-D7.

13. 1965. (with Moore, J. G.) Bathymetric, topographic, and structural map of the south-central flank of Kilauea Volcano, Hawaii: U.S. Geol. Survey Misc. Geol. Inv. Map I-456.

14. 1966. Lava coils of some recent historic flows, Hawaii: U.S. Geol. Survey Prof. Paper 550B, p. 148-151.

15. 1966. (with Waesche, H. H.) Volcanoes tell secrets in Hawaii: Natural History, v. LXXV, no. 3, p. 21-29.

16. 1966. (with Wright, T. L., and Moore, J. G.) Crystallization of tholeiitic basalt in Alae lava lake, Hawaii: Bull. Volcanol., v. 29, p. 629-656.

17. 1966. (with Wahrhaftig, Clyde, and Clark, L. D.) Field trip, Yosemite Valley and Sierra Nevada batholith: California Div. Mines and Geology Bull. 190, p. 487-502.

18. 1967. (with Decker, R. W.) Infrared radiation from Alae lava lake, Hawaii: U.S. Geol. Survey Prof. Paper 575D, p. 169-175.

19. 1968. (with Shaw, H. R., Wright, T. L., and Okamura, R.) The viscosity of basaltic magma: An analysis of field measurements in Makaopuhi lava lake, Hawaii: Am. Jour. Sci., v. 266, no. 4, p. 225-264.

20. 1968. (with Wright, T. L., and Kinoshita, W. T.) The March 1965 eruption of Kilauea Volcano and the formation of Makaopuhi lava lake: Jour. Geophys. Research, v. 73, no. 10, p. 3181-3205.

21. 1968. (with Minakami, T.) The formation of columnar joints in the upper part of Kilauean lava lakes, Hawaii: Geol. Soc. America Bull., v. 79, p. 1151-1166, 8 figs., 5 plates.

22. 1969. (with Skinner, B. J.) An immiscible Sulfide Melt from Hawaii: Economic Geology Monograph No. 4, p. 310-322.

23. 1969. (with Gromme, C. S., and Wright, T. L.) Magnetic Properties and Oxidation of Iron-Titanium Oxide Minerals in Alae and Makaopuhi lava lakes, Hawaii: Jour. Geophys. Research, v. 74, no. 22, p. 5277-5293.

24. 1970. (with Wolfe, J. A., and Griggs, A. B.) Remarks on the paper "Oregon Cascades in relation to Cenozoic Stratigraphy," by Harry B. Wheeler and V. Standish Mallory. Proceedings of the Second Columbia River Basalt Symposium (Eastern Washington State College Press), p. 125-130.

25. 1972. Panel on Geothermal Energy Resources, Dallas L. Peck, Coordinator, Assessment of Geothermal Energy Resources (Report for the Comm. on Energy Research and Development Goals, FCST): Hearings before the Committee on Interior and Insular Affairs, June 15 and 22, 1972, 92nd Cong., 2nd Sess. (serial no. 92-31), p. 185-269.

26. 1974. Thermal properties of basaltic magma; results and practical experience from study of Hawaiian lava lakes--summary: in J. L. Colp and A. S. Furumoto, eds., "The Utilization of Volcano Energy," Proceedings of a conference held in Hilo, Hawaii, on Feb. 4-8, 1974 (Sandia Laboratories, Albuquerque, New Mexico), p. 287-295.

27. 1974. (with Robertson, E. C.) Thermal conductivity of vesicular basalt from Hawaii: Jour. Geophys. Research, v. 79, p. 4875-4888.

28. 1975. Recoverability of geothermal energy directly from molten igneous systems: U.S. Geol. Survey Circular 726, p. 122-124.

29. 1976. (with Wright, T. L., and Shaw, H. R.) Kilauean lava lakes: natural laboratories for study of cooling, crystallization, and differentiation of basaltic magma: American Geophysical Union Monog. 19, p. 375-390.

30. 1976. (with Kinoshita, W. T.) The eruption of August 1963 and the formation of Alae lava lake, Hawaii: U.S. Geol. Survey Prof. Paper 935A, p. A1-A33.

31. 1977. (with Shaw, H. R., and Hamilton, M. S.) Numerical analysis of lava lake cooling models: Part I, Description of the method: Amer. Jour. Sci., v. 277, p. 384-414.

32. 1977. (with Hamilton, M. S., and Shaw, H. R.) Numerical analysis of lava lake cooling models: Part II, Application to Alae lava lake, Hawaii: Am. Jour. Sci., v. 277, p. 415-437.

33. 1978. Cooling and vesiculation of Alae lava lake, Hawaii: U.S. Geol. Survey Prof. Paper 935B.

34. 1978. (with Wright, T. L.) Crystallization and differentation of the Alae magma, Alae lava lake, Hawaii: U.S. Geol. Survey Prof. Paper 935C, 20 p.

35. 1979. (with Wright, T. L., and Decker, R. W.) The lava lakes of Hawaii: Scientific American, v. 241, no. 4, p. 114-128.

36. 1980. Geologic map of the Merced Peak Quadrangle, Central Sierra Nevada, California: U.S. Geol. Survey Geologic Quadrangle Map GQ-1531.

37. 1980. (with Wones, D. R., Conveners) Penrose Conference report: Granite I: Origin and evolution of granitic magmas: Geology (Boulder), v. 8, no. 9, p. 452-453.

Qualifications:

State fully your qualifications to serve in the position to which you have been named.
(attach sheet) SEE ATTACHED BIOGRAPHY

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

Confirmation will continue my connection with the U.S. Geological Survey

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization.

My plan is to return to a civil service research position in the USGS

3. Has anybody made you a commitment to a job after you leave government?

No

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

N/A

(b) If you have been appointed for an indefinite term, do you have any known limitations on your willingness or ability to serve for the foreseeable future?

No

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None

Biography of Dallas Lynn Peck

Born.--Cheney, Wash., March 28, 1929.

Education.--Primary schools in Cheney and Spokane, Wash., and Missoula, Mont. Lewis and Clark High School, Spokane, Wash. California Institute of Technology, B.S. in geology with honors, 1951; M.S. in geology, 1953. Harvard University, Ph.D. in geology 1960.

Family.--Parents, Lynn A. and Hazel Peck, Hemet, Calif. Married March 28, 1951, Tevis Sue Lewis of San Gabriel, Calif. Three children, daughter, Ann Lillian, age 28, actress and singer, Hollywood, Calif.; son, Stephen Lynn, age 25, painting contractor in Mission Viejo, Calif.; son, Gerritt Francis, age 18, Private in the U.S. Army (101st Airborn), Ft. Campbell, Ky. Residence, 2524 Heathcliff Lane, Reston, Va. 22091.

Professional employment.--Geologic Field Assistant, U.S. Geological Survey, summer of 1951, 1952, and 1953; Teaching Assistant, Caltech, 1951-52; Teaching Assistant, Harvard University, 1952-53. Geologist, U.S. Geological Survey, 1954 to present.

Professional experience.--Geologic field and laboratory studies in the United States including: lead deposits in Colorado, 1951; tungsten deposits in California, 1952; volcanic and sedimentary rocks in western Oregon, 1954-1958; granitic and metamorphic rocks in the Sierra Nevada, California, 1959-1963, 1972-1977; Kilauea volcano and cooling lava lakes in Hawaii, 1963-1965; Deputy Assistant and Assistant Chief Geologist for Experimental Geology, 1966-1972; Chief Geologist, 1977-present. Adviser to the National Science Foundation (Earth Sciences Advisory Committee), 1969-1972; National Research Council (Fullbright-Hays Program, Advisory Screening Committee for Earth Sciences), 1974-1977; National Research Council (Advisory Board to the Office of Earth Sciences), 1975-1979; Sandia Laboratories (Magma Energy Project), 1975, 1976; Los Alamos Scientific Laboratories (Geosciences Advisory Panel), 1975-1977; the Harvard University (Visiting Committee of the Board of Overseers to the Department of Earth Sciences), 1972-1977; and the University of California, Berkeley, Dean of Graduate Studies, 1980. Representative to the Third General Meeting of the US-Japan Cooperative Science Program (Japan), 1965; to the Symposium of the International Association of Volcanology (New Zealand), 1965; to the Surtsey Research Conference (Iceland), 1967; to the Symposium on Geothermal Power (Italy), 1970; to the International School of Earth Sciences (Erice, Italy), 1973; and to the US-Japan Scientific Cooperative Conference on Volcano Energy (Hawaii), 1974. Delegate to Moscow (USSR) as a member of the US/USSR Joint Commission on Scientific and Technical Cooperation--Energy Working Group, 1972; U.S. Delegate to the assembly in Durham (England) of the International Association of Volcanology and Chemistry of the Earth's Interior, 1977.

Scientific and professional societies.--American Association for the Advancement of Science (Fellow); American Geophysical Union (Fellow) (President, Section on Volcanology, Geochemistry, and Petrology, 1976-1978); Geological Society of America (Fellow) (Councillor, 1980-present); Geological Society of Washington (President, 1976); Mineralogical Society of America; Society of Economic Geologists; International Association for Volcanology and Chemistry of the Earth's Interior (Councillor, 1980-present); Cosmos Club.

Honors.--Department of the Interior Meritorious Award, 1970. Department of the Interior Distinguished Service Award, 1979. Presidential Meritorious Executive Award, 1980.

92-775 O—82——11

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

4. List and describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law or public policy.

None

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

I do not believe my responses to the above will raise such questions, however, if they do, I will take whatever action is required to resolve the potential conflict.

6. Explain how you will comply with conflict of interest laws and regulations applicable to the position for which you have been nominated. Attach a statement from the appropriate agency official indicating what those laws and regulations are and how you will comply with them.

I have been made aware of applicable conflict of interest laws and regulations by appropriate agency and Government officials, and have agreed to comply with all applicable rules and regulations (see attached memo by Designated Agency Ethics Official).

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

July 14, 1981

Memorandum

To: Dallas L. Peck
Director, U S. Geological Survey

From: Designated Agency Ethics Official

Subject: Notice of Certification of Annual Financial Disclosure Statement

The Financial Disclosure Statement (SF-278) you filed with the Department's Ethics Office has been received and reviewed in accordance with Section 206 of the Ethics in Government Act of 1978 (Act).

Based on the items you reported, a determination has been made that you are in compliance with the conflict of interest regulations and statutes which apply to your position.

Your statement and position description (if applicable) will be available to the public in accordance with the provisions of Section 205 of the Act. Should you have any questions regarding this matter, please contact Gabriele J. Paone, Deputy Agency Ethics Official, at 343-3932.

Richard R. Hite

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

None

3. Are any assets pledged? (Add schedule.)

None

4. Are you currently a party to any legal action?

No

5. Have you ever declared bankruptcy?

No

6. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

No

United States of America
Office of Government Ethics

Office of Personnel Management
Washington, D.C. 20415

JUL 23 1981

Honorable James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Dallas L. Peck, whose nomination to the position of Director of the United States Geological Survey in the Department of Interior has been sent to you by President Reagan.

We have reviewed the report and have also obtained advice from the Department of Interior concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. Based thereon, we believe that Mr. Peck is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

J. Jackson Walter
Director

Enclosure

0338 EP/NS (1)

DEPT. OF THE INTERIOR
★ JUN 5 1981 ★
ETHICS OFFICE

JUN 10 1981

Reporting Individual's Name	Last Name: Peck	Dallas L.		
Position for Which Filing	Title of Position: Director, U.S. Geological Survey Dept. of Interior			
Location of Present Office	Address (Number, Street, ...): National Center - Stop 911, U.S. Geol Survey, Reston, Va 22092		3A414	703-860-6531
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee: Energy and Natural Resources			X
Position(s) Held With the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and ...: Chief Geologist, U.S. Geological Survey			Sept. 1977 to present
Certification	Signature of Reporting ...: Dallas L. Peck			May 29, 1981
Agency Ethics Official's Opinion	Signature of Deputy ...: for Richard R. Hite			JUN 9 1981
Office of Government Ethics Use Only	Signature: J. Jackson Walter			7-23-81

E.P. 6-11

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INCOME AND INTERESTS IN PROPERTY

This schedule is applicable in the case of all reporting individuals.

	Yes	No
Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust?		X
If "yes", have you reported the income from the trust?		
If "yes", have you reported the assets of the trust?		
If "yes" is this trust an "excepted" trust?		
or "qualified" trust?		

If there are any interests you report in an asset (such as a trust) of a spouse or dependent child which you have not reported but which would be reportable by the following:

1. They represent solely your spouse's or dependent child's financial interest or responsibility;
2. They are not, in any way past or present, derived from your income, assets, or activities;
3. You neither derive, nor expect to derive, any financial or economic benefit from them; **and**
4. You do not have knowledge of, or the composition of such interests or liabilities.

Do you certify to all of the above?

Yes	No
	X

There are no such interests.

Page Number	Schedule
1	A

Reporting Individual's Name: Peck, Dallas L.

Agency Use Only

Date of Filing (Month, Day, Year)

Identification (Spouse, D.C. or Dependent Child (DC))	Income: Type of Income	Income: Currency — Amount or Value	Interests in Property: Valuation of Assets
	Dividends, Rent, Interest, Capital Gains, Executive Fees, Other (Specify)	Actual Amount, Only if "Other" Specified, Date (Mo. Day, Yr.), Only if Honoraria	Valuation Method, $1 000 - $5 000, $5 001 - $15 000, $15 001 - $50 000, $50 001 - $100 000, $100 001 - $250 000, Over $250 000, Other (Specify)
none			

1

Peck, Dallas L.

Identification of Property	$1 001 to $5 000
none	

This schedule is applicable only in the case of annual and termination reports.

Peck, Dallas L.

1. Lodging, Transportation, Food and Entertainment—List each source totaling $250 or more in value

Source (Name and Address)	Brief Description
none	

2. Other Gifts—List each source totaling $100 or more in value

Source (Name and Address)	
none	

Source (Name and Address)	
none	

Peck, Dallas L. 1

none

Boulder Colo.

Name and Address of Organization	Type of	Position Held	Dates
Geological Society of America, Inc.	Professional assoc.	Councillor	Nov 1979 May, 81
Univ. of California - Berkeley, Calif.	educational inst.	advisor to Dean of Graduate Studies	Nov. 1980 Nov. 1980

none

none

AFFIDAVIT

) ss

Dallas L. Peck , being duty sworn, hereby states that he/she has read and signed the foregoing Statement for Completion by Presidential Nominees including the Financial Statement and that the information provided therein is, to the best of his/her knowledge and belief, current, accurate, and complete.

Dallas L. Peck

Subscribe and sworn before me this 8th day of July ,19 87

Notary Public

MY COMMISSION EXPIRES JANUARY 27, 1988

U.S. GOVERNMENT PRINTING OFFICE

APPENDIX II

Responses of Nominees to Additional Questions

DEPARTMENT OF ENERGY,
Washington, D.C., September 29, 1981.

Hon. HENRY M. JACKSON,
U.S. Senate,
Russell Senate Office Building, Washington, D.C.

DEAR SENATOR JACKSON: Enclosed is the answer to the question you submitted to Mr. William A. Vaughan, Nominee for Assistant Secretary of Energy for Environmental Protection, Safety and Emergency Preparedness, subsequent to the September 14, 1981, hearing before the Senate Energy and Natural Resources Committee.

If you have any questions, please call Diana Diamond or Tom Pretorius of my staff on 252-4277. They will be happy to assist you.

Sincerely,

THOMAS H. PRETORIUS
(For Robert G. Rabben, Assistant
General Counsel for Legislation).

Enclosure.

Question. What are your views on the concept of financing the Strategic Petroleum Reserve through commodity futures (oil futures)?

Answer. I fully support the development of the Strategic Petroleum Reserve to protect us against a future oil supply disruption. In this context, it is important that continuity of funding for the program be maintained and that the financing be accomplished at the lowest possible cost. This is currently being accomplished through the use of general Treasury borrowing. We do not believe that the use of oil-indexed securities would provide continuity of program funding at the lowest expected cost.

DEPARTMENT OF ENERGY,
Washington, D.C., September 29, 1981.

Hon. SPARK M. MATSUNAGA,
U.S. Senate,
Russell Senate Office Building, Washington, D.C.

DEAR SENATOR MATSUNAGA: Enclosed are the answers to the questions you submitted to Mr. William A. Vaughan, Nominee for Assistant Secretary of Energy for Environmental Protection, Safety and Emergency Preparedness, subsequent to the September 14, 1981, hearing before the Senate Energy and Natural Resources Committee.

If you have any questions, please call Diana Diamond or Tom Pretorius of my staff on 252-4277. They will be happy to assist you.

Sincerely,

THOMAS H. PRETORIUS
(For Robert G. Rabben, Assistant
General Counsel for Legislation).

Enclosures.

Question. The rule administering the Strategic Petroleum Reserve distribution indicates that SPR oil will be distributed primarily through the Buy/Sell program or the Standby Crude Allocation Program, both of which as of now expire on September 30th of this year. Therefore, after September 30th there will be no mechanism for the distribution of SPR oil or for the triggering of such distribution. Can you enlighten me as to the Administration's position regarding this important area of emergency preparedness?

Answer. Plans for distributing oil contained in the Strategic Petroleum Reserve in the event the Reserve is drawn down are delineated in the Strategic Petroleum Reserve Distribution Plan, Amendment No. 3 to the Strategic Petroleum Reserve Plan. This Plan was submitted in October 1979 and allowed by Congress to take effect in November 1979. The energy Policy and Conservation Act of 1975 (EPCA), Public Law 94-163, states, "No drawdown and distribution of the Reserve may be made except in accordance with the provisions of the Distribution Plan contained in the Strategic Petroleum Reserve Plan." This Plan is still in effect. A rule has been adopted to facilitate these distribution plans.

The SPR Distribution Plan does not give priority to either the Buy/Sell program or allocations; these are simply options. The options also include distribution by competitively priced market sales, pro rata apportionment of buy rights among refiners, or allocation under authority which the Energy Policy and Conservation Act grants to allocate oil stored in the SPR.

The Administration's position on this emergency preparedness issue is to rely on competitively priced sales and market forces to distribute the SPR oil to the maximum extent possible.

Question. I understand that the Administration places great importance upon the use of the Strategic Petroleum Reserve in reducing the effect of petroleum supply emergencies upon this nation. My state of Hawaii is 2,500 miles from the United States mainland and for some years now we have discussed with your department the fact that we are as distant from central reserve storage as Istanbul is from New York. Is it the position of this Administration that some incentive must be given to private industry in order that they will be willing to increase their storage of crude oil and refined petroleum products?

I recognize that the tax bill granted a more favorable depreciation rate for storage facilities, but I am told that even more incentives must be given if there are to be appreciable increases in private storage. Wonder if you could enlighten me as to your position on this matter?

Answer. Studies conducted by DOE and its predecessor, the Federal Energy Administration, show that centralized storage will provide adequate protection for Hawaii. The full effects of a supply disruption would not be felt during the first two to three months. This would provide time for crude and product from the SPR and other sources, such as Alaska, to reach Hawaii.

The Department of Energy is currently examining the relative merits of providing the petroleum industry with incentives to increase private petroleum inventories. As part of this review, we are evaluating alternative types of incentive measures with respect to such factors as likely availability of the stocks in an emergency, net economic costs, budgetary impacts, and implementation time.

Reply to Question From Senator Matsunaga for Mr. Hanzlik at Senate Confirmation Hearing, September 14, 1981

Question. Is the Economic Regulatory Administration, given its recent loss of personnel due to RIF's, in any position to carry out its mandate to oversee DOE allocation under the Defense Production Act. If so, would you explain to me what you see as ERA's role in carrying out their mandate?

Answer. The Department of Energy will continue to be prepared to assist the Department of Defense in obtaining its petroleum product requirements, including if necessary the issuance of priority rated orders under the Defense Production Act (DPA). The Department's role would be to receive from DOD requests for priority rating or orders for the purchase of crude oil and/or refined petroleum products, analyze such requests to determine appropriate suppliers and volumes to be supplied, and issue priority ratings for DOD orders. The Department will continue, as needed, its present liaison with DOD on DPA activities including trial exercises and refinement of program methodology. Use of DPA authority would, of course, be limited to situations involving a major disruption in energy supplies.

USGS Responses to Questions Submitted by Senator Jackson During Confirmation Hearing for Dallas L. Peck, September 14, 1981

Question 1. In December 1978 a USGS Conservation Division Task Force issued a report concluding that there were serious deficiencies in the royalty management program and recommending extensive improvements. In April 1979 the General Accounting Office issued a detailed report that reached the same conclusion and made very similar recommendations. It is now September 1981, and USGS is saying that

an improved royalty management system cannot be fully operational until 1985. It is distressing that millions of dollars in royalties are slipping away while USGS takes 7 years to fully implement a solution to the problem.

Do you see any way to fully implement an effective program sooner?

In light of the amount of money at stake, do you think it would be useful to spend more to get the new system fully operational sooner?

Do you see other interim measures that might be cost effective?

Answer 1. The USGS has been proceeding as rapidly as administratively and technically possible since the Conservation Division issued the "Report of the Improved Royalty Accounting System Task Force" in December 1978.

In response to the findings in that report, in February 1979 the Improved Royalty Management Program (IRMP) task force organized at Lakewood, Colorado, to reorganize the royalty management function and to design and install new collection and accounting systems. In September 1980 the initial contract was let with Sterling Systems, Inc., with subcontract to Arthur Andersen and Co., to design the Auditing and Financial System (AFS). Then in December 1980 we reorganized and consolidated the royalty management program of the Conservation Division. The Governors were briefed in February 1981. In March 1981, a Departmental Royalty Management task force was established to facilitate the contract effort and secure other resources needed by the program. An Interim Operating System plan was adopted in April 1981, permitting industry conversion to commence October 1, 1981. An RFP was issued for all needed software in May 1981.

In August 1981, an Operations and Maintenance Contract was awarded to International Business Services (IBS), and in September 1981, the Design and Installation Contract award was made to American Management Systems (AMS). The contract was awarded to Mitre Corporation for project management services in September 1981.

Technically, we have placed financial incentives into our systems replacement contract to ensure earliest feasible delivery consistent with our performance and quality standards. Current schedules call for:

Conversion to interim reporting system with late/underpayment screening and sub-lease level accounting—begins October 1, 1981

Operational new royalty collection/accounting system (replaces old system)—December 31, 1982

Operational Production Auditing and Accounting system (compares production to sales reports)—April 1, 1983

These are very large and complex systems that must be designed, developed, and tested, and will involve about one quarter million man/hours of professional computer and accounting expertise in all phases of systems development. We believe that the investment of additional resources will not improve delivery schedules.

Rather than considering interim measures, we are pursuing new support mechanisms to reinforce the Federal capability. These mechanisms include joint Federal/State cooperation as a means of sharing responsibilities for inspections, audits, and training. Also, we are considering data/information exchange with the States and standardized Federal and State production reports. Further, we are discussing controlled access to our royalty data files with Bureau of Indian Affairs.

Question 2. At the hearing by the Senate Select Committee on Indian Affairs in February 1981, several witnesses stated that effective enforcement of the laws governing Federal leases would be impossible unless a single entity were given authority to monitor the oil flow from the wellhead to the refinery.

What do you think of this approach?

Will you report back to this committee as to the feasibility of this approach?

Answer 2. The volumes of oil suspected to have been stolen from Federal and Indian leases in recent hearings and media articles comprise a very small part of the total oil movement in the United States. A system which could track the whole crude hydrocarbon movement through the myriad of end users with sufficent accuracy to identify the relatively small volumes suspected to have been stolen from Federal and Indian leases would be very cumbersome and extremely expensive, both for industry and for Goverment. Based on the foregoing basic premises, we believe that the proposal could not be cost effective regardless of whether a single governmental entity or multiple entities would be responsible. An organization required to track hydrocarbons and retain documentation of all produced hydrocarbons from the point of production to the point of use or refining could be required to track tens of thousands of transactions and keep documents thereon. One approach that might prove fruitful would be to require the refinery to secure and retain documentation to prove from whom and at what location purchased hydrocarbons were obtained.

Question 3. Doyle G. Frederick, as Acting Director of USGS, stated that Secretary Watt has accorded a high priority to the development of cooperative programs between the States, the tribes, and the federal government to limit the potential for theft of oil.

What type of programs are being considered?

Has thought been given to having USGS contract with the States and tribes to perform some or all of the inspecting and accounting functions?

Answer 3. Three types of cooperative programs are envisioned to assist the Survey in its oil and gas field inspection program. The first involves two potential State/Federal inspection programs. These programs would be developed differently with different States, based upon varied State wishes and capabilities. In instances where there are mixed leases at both State and Federal ownerships, an agreement could be reached whereby both types of leases would be inspected by either State or Federal inspectors, eliminating the need for both entities to visit essentially the same location. This would require careful planning and scheduling. The second such inspection program could be developed to have the Geological Survey execute a contract with the State to have State inspectors monitor activities on Federal leases. Efforts to initiate the cooperative inspection program have begun with the Interstate Oil Compact Commission serving as a forum for dialogue. Individual contacts concerning feasibility of the program have been made with oil and gas regulatory agencies of Wyoming, Utah, North Dakota, New Mexico, Montana, and Colorado.

Informal discussions with several Indian tribes have revealed a willingness for tribes to observe oil and gas activities within the tribal boundaries and report suspected violations to the appropriate USGS office. This program is predicated on the Survey developing a training program for inspectors and offering training to interested tribes. This training program is presently being formulated for training of the Survey's field technicians and it is anticipated that the program will be expanded to accommodate the training needs of tribal inspectors.

The third program already in progress is a cooperative GS/BIA program to train all BIA field personnel to observe oil and gas field activities during the normal course of their field visits. These personnel would function as casual observers and report suspected violations to the BIA superintendent, who would in turn refer to all such actions to the appropriate USGS office.

In all the above cases it is assumed that the actual enforcement authority cannot be delegated to any other person or agency but that any citations or punitive actions could only be performed by Federal personnel. If this enforcement authority were to be delegated to other persons or agencies, then legislative action would be required.

Finally, we have discussed with both the BIA and the BLM the desirability of giving them controlled access to our royalty data files to assist them in tracking payments and payors.

Question 4. In the Auditing and Financial System Management Summary Report issued by Geological Survey in December 1980, and later submitted to the Select Committee on Indian Affairs, it states that the Improved Royalty Management System will yield a benefit/cost ratio of 73 and a payback period of less than 2 years. More specifically, by 1985 the new management system is projected to recover over a billion dollars more than the present system would have, while costing only 16 million dollars more than the old system.

Doesn't this indicate that we should spend more money now in order to begin capturing these lost royalties sooner?

Answer 4. As indicated above, we are pursuing progress on the design, development, and testing of replacement royalty accounting and production auditing systems as fast as technological and adminstrative constraints permit. Acceleration beyond this level in terms of the rate of investment in systems development efforts will not appreciably lessen the time until the new systems are operational. We are installing comprehensive monitoring and tracking systems to ensure that our present accelerated schedules are met and cost overruns avoided.

Question 5. USGS clearly has been reluctant to use the full extent of its authority to enforce its regulations. For example, violations of leasing regulations have never resulted in the cancellation of a lease.

Do you think that a more aggressive approach would be useful?

Answer 5. USGS acts only in an advisory capacity in actions leading to lease cancellation. The Bureau of Land Management and the Bureau of Indian Affairs are the action Agencies in lease cancellation. Also, concerning Federal leases, the Mineral Leasing Act clearly provides that a lease known to contain a valuable deposit of hydrocarbons may be cancelled only by appropriate judicial proceedings. If a lease includes producible wells, it is known to contain a valuable deposit of hydrocarbon.

We are enhancing our enforcement ability of our operating regulations pertaining to onshore oil and gas operations (30 CFR 221) through updating and streamlining of the regulations. The last general revision of these regulations was in 1942. A notice of intent to revise these regulations was published in the Federal Register on May 22, 1981 (46 FR 27968). Proposed regulations were approved by the Department of Interior on October 15. We anticipate they will be published toward the end of October or early November.

USGS contemplates adding a civil penalty provision and changing the liquidated damage provision (currently at 30 CFR 221.54) to reflect the effects of inflation and changes in the general economic condition over the past 40-year period. The Department of the Interior is considering specific language and the extent of such changes. One major problem we are currently weighing is the effect of the Regulatory Flexibility Act since perhaps 1,500 of the operators on Federal and Indian oil and gas leases clearly are small businesses.